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Appropriations Report

1991 Biennium

Volume II

Submitted by

The Office of the Legislative Fiscal Analyst

Helena, Montana

September, 1989



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STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

September, 1989

Members of the Fifty-first Legislature
Members of the Legislative Finance Committee

In accordance with Section 5-12-302, MCA, and in keeping with the practice established in previous sessions, I am submitting the Appropriations Report for the 1991 biennium. The report represents an effort by our office to summarize important fiscal action and legislative policy developed during the 1989 regular and special session.

After summarizing the forecasted general fund balance and revenue, this report shows appropriations by agency. Increases from the previous biennium are detailed and major legislation affecting fiscal policy is outlined.

Respectfully submitted,

Judy Rippingale

Judy Rippingale
Legislative Fiscal Analyst

APPROPRIATIONS REPORT

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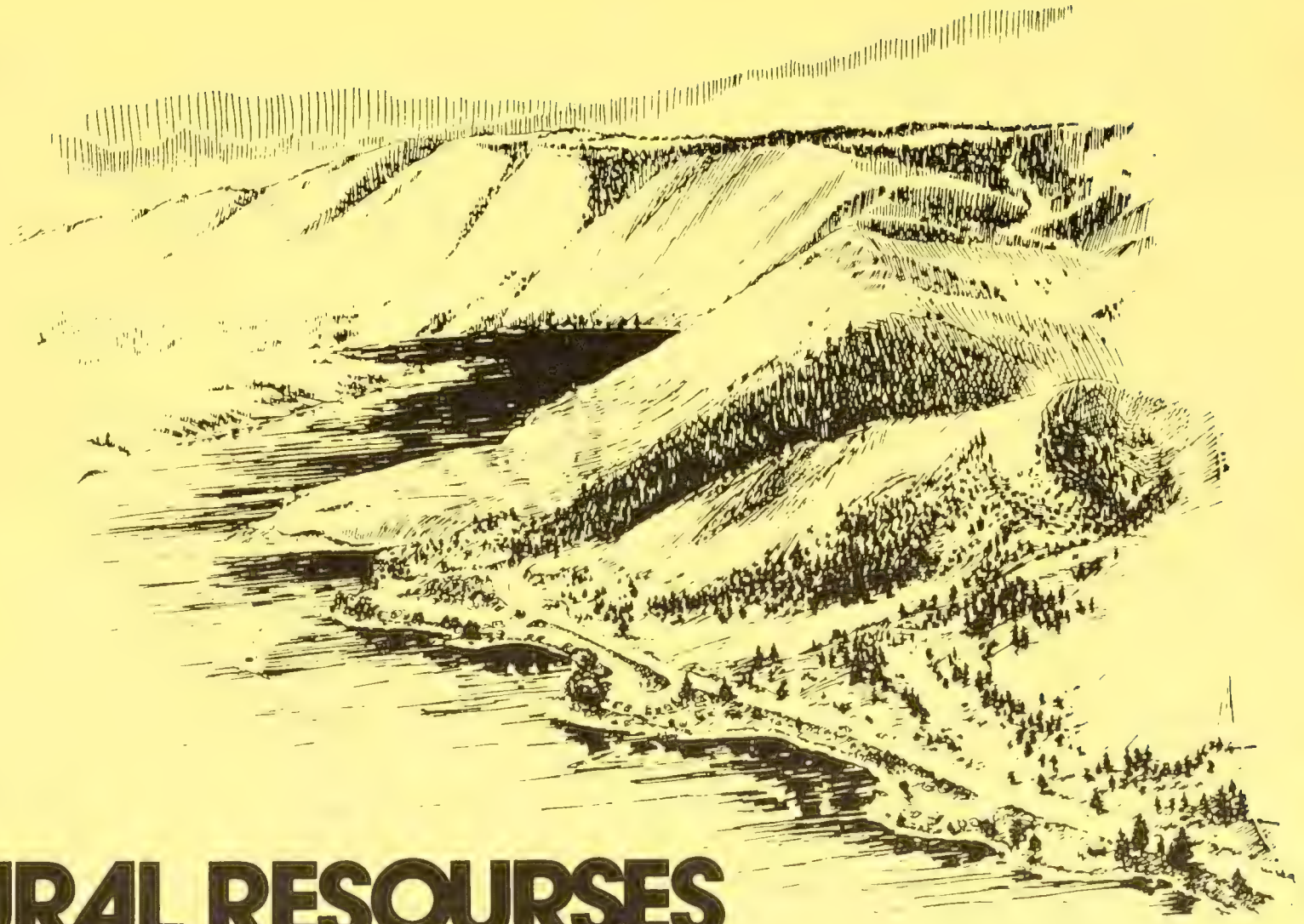
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NATURAL RESOURSES & COMMERCE

LEGISLATIVE ACTION

AGENCY: PUBLIC SERVICE COMMISSION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	46.00	46.00	46.00	46.00	46.00	46.00	0.00	0.00
Personal Services	$1,311,518	$1,379,924	$1,454,813	$ 74,889	$1,381,649	$1,504,964	$123,315	10.93
Operating Expenses	314,659	338,055	402,293	64,238	294,199	338,089	43,890	27.85
Equipment	46,949	18,273	51,065	32,792	25,458	21,520	(3,938)	8.77
Non-Operating	15,000	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$1,688,126	$1,736,252	$1,908,171	$171,919	$1,701,306	$1,864,573	$163,267	13.03
FUNDING								
General Fund	$1,645,490	$1,690,450	$1,861,764	$171,314	$1,657,004	$1,819,055	$162,051	13.14
Federal Revenue	27,949	25,802	26,407	605	24,302	25,518	1,216	(5.52)
Proprietary Funds	14,687	20,000	20,000	0	20,000	20,000	0	36.17
TOTAL FUNDING	$1,688,126	$1,736,252	$1,908,171	$171,919	$1,701,306	$1,864,573	$163,267	13.03

Program Description: The Department of Public Service Regulation is responsible for regulation of public utilities, motor carriers, and railroad industries to provide safe, reliable, and adequate services at the lowest achievable cost to the consumers while concurrently providing the regulated industries with a fair and reasonable return on their investment for the services rendered. There are five public service commission districts, with one commissioner elected from each district.

Budget: The 10.9 percent increase in personal services reflects four positions which were partially vacant in fiscal 1988 but are fully budgeted in the 1991 biennium. The positions include an attorney position which was filled in May of 1988, a utility rate analyst position which was filled in June of 1988, a compliance specialist which became vacant in January of 1988, and a program analyst which was vacant part of fiscal 1988. Also the pay plan added $43,990 in fiscal 1990 and $91,407 in fiscal 1991.

The $87,634 increase in fiscal 1990 and the $23,430 increase in fiscal 1991 in operating expenses are the result of the following. First, included in fiscal 1990 is $13,836 for the legislative audit costs. The legislature appropriated $13,404 for legislative audit costs in the 1989 biennium and the audit expenditures do not appear in fiscal 1988 totals.

Second, insurance increased by $1,282 in fiscal 1990 and $1,356 in fiscal 1991. Third, Secretary of State filing fees increase by $965 per year. Fourth, SBAS on-line entry costs increased by $763 per year. Fifth, in-state travel increased by $4,509 per year for the pipeline safety program. In fiscal 1988, the pipeline safety inspector suffered a stroke and was unable to travel. The current level base rebuilds the travel budget back to the appropriated level in fiscal 1988. Sixth, $5,500 per year for recruitment on new employees was eliminated from the budget. Seventh, out-of-state travel was increased $26,766 in fiscal 1990 and $26,726 in fiscal 1991. Eighth, consulting services were increased a net $38,862 for the biennium. The increase is reflected in a $50,000 biennial program expansion.

The equipment budget includes $10,246 per year to replace one vehicle each fiscal year, $38,749 in fiscal 1990 and $10,716 in fiscal 1991 for computer hardware and software, and $2,628 for office equipment for the biennium.

Program Expansions: The Consultants program expansion is a $50,000 biennial program expansion for specialized contracted services such as: expert witness; issue development in cases where the Montana Consumer Counsel is unable or declines to hire consultants for certain proceedings; and consultants to assist in representing the interests of Montana rate payers before federal regulatory bodies.

Funding: The Public Service Commission is funded with general fund. The amount of general fund appropriated for commission operations is refunded by a utility tax. The amount of utility tax collected is based upon the general fund appropriated to finance the commission. In fiscal 1988, there were two programs administered by the commission which received federal funds. These programs were the Pipeline Safety Program and the Railroad Safety Program. The Pipeline Safety Program was funded 50/50 federal/state and the Railroad Safety Program was funded 15/85 federal/state. In the 1991 biennium budget, the state will receive $25,802 in fiscal 1990 and $24,302 in fiscal 1991 for the Pipeline Safety Program. This is comparable to the $23,063 which the state received in fiscal 1988. However, the state will not be receiving any federal funds for the Rail Safety Program. In fiscal 1988, the Railroad Safety Program had expenditures totaling $32,558 of which $4,886 was financed by the federal government. For the 1991 biennium, the program is at $32,000 per year with the entire funding coming from general fund.

The proprietary funds are the revenues the state receives from out-of-state utilities for auditing expenses. The state is reimbursed by the utilities for traveling out-of-state to do auditing.

Difference From Executive: The use of a zero percent vacancy savings factor adds $24,400 per year while the pay plan adds $43,990 in fiscal 1990 and $91,407 in fiscal 1991 to the executive recommendation. The legislature added $7,500 per year to personal services to correct an executive error.

The difference in operating expenses reflects: 1) $5,500 per year for new employee recruitment; 2) $34,400 per year for increased travel; and 3) $21,900 in fiscal 1990 and $1,600 in fiscal 1991 for increased consultant services.

The differences in equipment reflect: 1) $10,200 for a vehicle; 2) $10,700 for computer equipment; and 3) $8,000 for computer software.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	107.71	115.71	116.71	1.00	117.71	118.71	1.00	9.00
Personal Services	$2,945,626	$3,140,656	$3,324,145	$183,489	$3,181,253	$3,492,762	$311,509	12.85
Operating Expenses	981,861	1,104,292	1,214,308	110,016	1,155,856	1,266,334	110,478	23.67
Equipment	168,274	177,115	173,116	(3,999)	177,798	181,034	3,236	2.88
TOTAL EXPENSES	$4,095,761	$4,422,063	$4,711,569	$289,506	$4,514,907	$4,940,130	$425,223	15.04
FUNDING								
General Fund	$ 719,100	$ 756,908	$ 853,993	$ 97,085	$ 746,497	$ 865,453	$118,956	18.76
State Special Rev	3,350,511	3,479,145	3,587,672	108,527	3,582,189	3,797,750	215,561	7.08
Federal Revenue	26,000	186,010	269,904	83,894	186,221	276,927	90,706	938.09
TOTAL FUNDING	$4,095,611	$4,422,063	$4,711,569	$289,506	$4,514,907	$4,940,130	$425,223	15.04

Agency Description: The Department of Livestock consists of the Animal Health Division, the Brands-Enforcement Division, the Centralized Services Division, and the Diagnostic Laboratory Division. The Animal Health Division includes the Disease Control Program, the Milk and Egg Program, and a newly-created Meat and Poultry Inspection Program. The Brands-Enforcement Division includes the Inspection and Control Program and the Predatory Animal Control Program. The Crimestoppers Program is administratively attached to the Centralized Services Division.

The Board of Livestock has the duties and powers of a department head as provided in Section 2-15-112, MCA. The board consists of seven members appointed by the Governor with the consent of the Senate. Each member must be a resident of Montana and an active livestock producer. The executive secretary serves at the pleasure of the board. The executive secretary is responsible for ensuring that the department functions in a manner consistent with the directives, policies, and rules of the board and the laws of Montana.

Budget: The increase of 9.00 FTE reflects the elimination of one clerical position and the addition of 10.00 FTE in the Meat and Poultry Inspection Program. In fiscal 1991, there are 2.00 additional FTE for the 10-year Brand Re-record Program. The increase in personal services reflects the Meat and Poultry Inspection Program expansion, the application of a zero percent vacancy savings factor, and the pay plan.

The department's operating expenses increase of 23.7 percent is caused by: 1) a $25,657 increase in fiscal 1990 and a $29,790 increase in fiscal 1991 for the Diagnostic Laboratory; 2) an $18,450 increase per year for contracting with local veterinarians; 3) $20,000 in fiscal 1990 and $77,999 in fiscal 1991 for the 10-year Brand Re-record Program expansion; 4) $32,000 per year increase for contracted predator control; and 5) a $74,000 per year program expansion for the Meat and Poultry Inspection Program expansion.

Funding: The 18.7 percent increase in general fund reflects the 10.00 FTE increase in the Meat Inspection Program. This program is financed 50 percent general fund and 50 percent federal funds. Funding changes also reflect a $10,000 decrease of general fund and a federal fund increase of $10,000 in the Milk and Egg Program.

State special revenues are primarily the Inspection and Control Fund and the Animal Health Fund. Table 1 shows the cash flow analysis of the Inspection and Control Fund for the 1989 and 1991 bienniums.

Table 1
Four-Year Cash Flow Analysis of the Inspection and Control Fund

	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991
Beginning Balance	$1,827,513	$1,934,607	$1,794,947	$1,724,095
Adjustment	2,636	-0-	-0-	-0-
Revenues				
Livestock License & Permits	$ 215,795	$ 111,000	$ 110,000	$ 110,000
Livestock General Tax	1,261,514	1,338,000	1,300,000	1,300,000
Inspection/Testing	648,268	635,000	635,000	635,000
Interest	94,307	85,000	90,000	90,000
Other	134,806	138,100	138,100	138,100
Grant From DFWP	90,000	90,000	110,000	110,000
Total Revenues	$2,444,690	$2,397,100	$2,383,100	$2,383,100
Total Funds Available	$4,274,839	$4,331,707	$4,178,047	$4,107,195
Disbursements				
Centralized Services	$ 180,232	$ 172,355	$ 177,444	$ 177,962
Inspection and Control	1,913,499	2,078,118	1,991,131	2,158,969
Predator Control	231,501	271,287	270,377	273,487
Rabies Control	15,000	15,000	15,000	15,000
Total Disbursements	$2,340,232	$2,536,760	2,453,952	2,625,418
Ending Balance	$1,934,607	$1,794,947	$1,724,095	$1,481,777

Livestock License and Permits are brand fees of $35 paid by an individual to transfer a brand or buy a new brand. The Livestock General Tax is the livestock per capita tax. Approximately two-thirds of the tax goes to the Inspection and Control Fund, and one-third goes to the Animal Health Fund. The Inspection/Testing Fee is the 35 cent charge to inspect an animal's brand when an animal is sold and when it is bought. Therefore, a sales transaction costs the seller 35 cents and the buyer 35 cents.

Table 2 shows the cash flow analysis of the Animal Health Fund for the 1989 and 1991 bienniums.

Table 2
Four-Year Cash Flow Analysis of the Animal Health Fund

	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991
Beginning Balance	$ 867,633	$ 894,961	$ 838,518	$ 693,798
Adjustment	382	-0-	-0-	-0-
Revenues				
Livestock General Tax	$ 667,085	$ 630,000	$ 630,000	$ 630,000
Inspection/Testing Fee	213,242	200,000	205,000	205,000
Interest	62,673	60,000	60,000	60,000
Other	94,213	96,000	94,000	94,000
Total Revenues	$1,037,213	$ 986,000	$ 989,000	$ 989,000
Total Funds Available	$1,905,228	$1,880,961	$1,827,518	$1,682,798
Disbursements				
Centralized Services	$ 180,232	$ 172,356	$ 177,443	$ 177,963
Diagnostic Lab	404,703	378,356	453,197	470,613
Disease Control	425,332	491,731	503,080	523,756
Total Disbursements	$1,010,267	$1,042,443	$1,133,720	$1,172,332
Ending Balance	$ 894,961	$ 838,518	$ 693,798	$ 510,466

The Animal Health Fund Inspection/Testing Fees are the laboratory fees charged to examine samples at the lab.

Table 3 details the department's funding for the 1991 biennium.

Table 3
Department Funding - 1991 Biennium

	General Fund	Animal Hlth. Fund	Insp. & Cont. Fund	DFWP Lic. Funds	Federal Funds	Total
FISCAL 1990						
Centralized Services	$ 83,245	$ 177,443	$ 177,444	$ -0-	$ 17,458	$ 455,590
Diagnostic Laboratory	312,572	453,197	-0-	-0-	-0-	765,769
Disease Control	-0-	503,080	-0-	-0-	-0-	503,080
Milk and Egg Program	193,817	-0-	-0-	-0-	30,000	223,817
Inspection and Control	-0-	-0-	1,991,131	-0-	-0-	1,991,131
Predator Control	-0-	-0-	175,377	95,000	-0-	270,377
Rabies and Rodent Control	41,912	-0-	-0-	15,000	-0-	56,912
Meat and Poultry Inspection	222,447	-0-	-0-	-0-	222,446	444,893
Total Fiscal 1990	$853,993	$1,133,720	$2,343,952	$110,000	$269,904	$4,711,569
FISCAL 1991						
Centralized Services	$ 83,487	$ 177,963	$ 177,962	$ -0-	$ 18,394	$ 457,806
Diagnostic Laboratory	320,454	470,613	-0-	-0-	-0-	791,067
Disease Control	-0-	523,756	-0-	-0-	-0-	523,756
Milk and Egg Program	191,048	-0-	-0-	-0-	30,000	221,048
Inspection and Control	-0-	-0-	2,158,969	-0-	-0-	2,158,969
Predator Control	-0-	-0-	178,487	95,000	-0-	273,487
Rabies and Rodent Control	41,930	-0-	-0-	15,000	-0-	56,930
Meat and Poultry Inspection	228,534	-0-	-0-	-0-	228,533	457,067
Total Fiscal 1991	$865,453	$1,172,332	$2,515,418	$110,000	$276,927	$4,940,130

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: CENTRALIZED SERVICES DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	8.00	9.00	9.00	0.00	9.00	9.00	0.00	1.00
Personal Services	$266,116	$279,848	$294,215	$14,367	$280,382	$304,235	$23,853	10.56
Operating Expenses	147,896	156,220	155,875	(345)	137,500	137,160	(340)	5.40
Equipment	5,442	3,935	5,500	1,565	14,725	16,411	1,686	1.07
TOTAL EXPENSES	$419,454	$440,003	$455,590	$15,587	$432,607	$457,806	$25,199	8.62
FUNDING								
General Fund	$ 58,981	$ 81,795	$ 83,245	$ 1,450	$ 79,752	$ 83,487	$ 3,735	41.14
State Special Rev	360,473	341,598	354,887	13,289	336,234	355,925	19,691	(1.55)
Federal Revenue	0	16,610	17,458	848	16,621	18,394	1,773	0.00
TOTAL FUNDING	$419,454	$440,003	$455,590	$15,587	$432,607	$457,806	$25,199	8.62

Program Description: The Centralized Services Division is responsible for the accounting, budgeting, payroll, personnel, legal services, purchasing, and general services functions of the department.

Budget: The increase of 1.00 FTE reflects a clerical position transferred from the Disease Control Division to Centralized Services. The position will work on accounting for the Meat Inspection Program. The operating expenses include a $1,328 increase for audit costs in fiscal 1990. The audit costs were appropriated for the biennium in the fiscal 1990 budget, and therefore do not appear in the fiscal 1991 budget. Operating expenses were increased $2,300 per year for SBAS on-line entry and edit, and $3,457 in fiscal 1990 and $3,615 in fiscal 1991 for rent. Computer maintenance was increased $1,100 per year, and insurance increases $200 per year.

Equipment includes office equipment and in fiscal 1991 a vehicle for the executive secretary.

Program Expansion: The legislature approved the following program expansion for the division. The program expansion is detailed in Table 4.

Table 4
Centralized Services Division

Program Expansion	FTE	Fiscal 1990 Total Funds	Fiscal 1991 Total Funds
Accounting Increase for Meat Inspection Program	1.00	$16,610	$16,621

Accounting Increase for Meat Inspection program expansion funds federal reporting and accounting requirements for new statewide meat inspection services. The program expansion is 100 percent federally funded.

Funding: This program is funded with general fund, the Inspection and Control Fund, the Animal Health Fund, and federal funds. In the 1987 biennium, the legislature developed a funding formula of 15 percent general fund and 85 percent state special revenue to finance the Centralized Services Division. With the department's 5 percent reduction in general fund mandated by the legislature for fiscal 1988 and 1989, the general fund percentage for the 1989 biennium was approximately 14 percent. For the 1991 biennium, the legislature has allocated 19 percent of the division's cost except the meat inspection accounting costs to general fund and the remainder to state special funds. The meat inspection accounting costs are financed with federal funds.

Difference from Executive: There is no net difference in FTE but the executive did recommend an additional 1.00 FTE with the program expansion. The department requested that instead of adding an additional position that 1.00 FTE in the Disease Control Program be transferred to this division. The legislature accepted this recommendation.

The use of a zero percent vacancy savings factor adds $5,600 per year while the pay plan adds $8,799 in fiscal 1990 and $18,274 in fiscal 1991 to the executive recommendation.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK — PROGRAM: DIAGNOSTIC LABORATORY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	18.00	19.00	18.00	(1.00)	19.00	18.00	(1.00)	0.00
Personal Services	$522,375	$539,149	$531,284	$ (7,865)	$540,564	$551,193	$10,629	1.71
Operating Expenses	184,459	211,441	210,116	(1,325)	214,646	214,249	(397)	13.91
Equipment	3,362	31,429	24,369	(7,060)	25,625	25,625	0	624.84
TOTAL EXPENSES	$710,196	$782,019	$765,769	$(16,250)	$780,835	$791,067	$10,232	7.83
FUNDING								
General Fund	$305,494	$305,388	$312,572	$ 7,184	$305,388	$320,454	$15,066	2.32
State Special Rev	404,702	476,631	453,197	(23,434)	475,447	470,613	(4,834)	11.98
TOTAL FUNDING	$710,196	$782,019	$765,769	$(16,250)	$780,835	$791,067	$10,232	7.83

Program Description: This program provides laboratory support for the Disease Control Program, Milk and Egg Program, and to veterinarians and livestock producers. The laboratory protects the public health by testing dairy products and performing diagnostic tests on suspected rabies cases and other zoonotic diseases. Testing on wildlife and small animals is performed upon request.

Legislative Intent: The legislature included language that expenditures for the microhematocrit centrifuge and the culture counter were not to be in the 1993 biennial budget base.

Budget: In fiscal 1988, the department transferred in funds to finance overtime costs. The workload at the laboratory increased by 14 percent and the existing staff worked overtime to meet the work demands. In fiscal 1988, the department transferred the clinical pathology work from a contractual arrangement with Montana State University to an in-house function. To accomplish the clinical pathology work, the department upgraded a laboratory aide position (grade 6) to a medical technician (grade 14). The increased personnel costs were offset by a reduction in contractual costs. In the 1991 biennium, no overtime is included, which reduces the budget by $8,000 per year.

Operating expenses were increased by $8,573 in fiscal 1990 and $9,100 in fiscal 1991 to reflect increased costs charged by Montana State University for janitorial and maintenance services. Other minor operating expenses increased the budget by $2,204 in fiscal 1990 and $6,207 in fiscal 1991. The program expansion added $14,880 per year.

The equipment budget includes a copy machine and personal computer in fiscal 1990, and a transcription unit and computer networking in fiscal 1991. Laboratory equipment is $18,489 in fiscal 1990 and $23,050 in fiscal 1991. Included in the 1990 laboratory equipment budget is $15,000 for replacement of a microhematocrit centrifuge, and the fiscal 1991 budget includes $21,000 for a culture counter.

Program Expansion: The legislature approved the program expansion contained in Table 5 for the Diagnostic Lab.

Table 5
Diagnostic Lab

Program Expansion	FTE	Fiscal 1990 Total Funds	Fiscal 1991 Total Funds
Diagnostic Laboratory	0.00	$14,880	$14,880

Diagnostic Laboratory program expansion is to provide more rapid and cost-effective disease-testing procedures on sheep, swine, and cattle. The additional funding would finance the communication cost of a FAX machine, additional supplies, and additional repairs and maintenance. Funding is 100 percent state special revenue.

Funding: This program was financed approximately 41 percent by general fund and 59 percent by animal health funds. The animal health fund account receives approximately one-third of the per-head assessment on livestock. The fund also receives laboratory fees and charges.

Difference From Executive: The difference in FTE reflects an adjustment in the program expansion. The department requested that the 1.00 FTE and $24,900 per year recommended by the executive be removed.

The pay plan adds $17,006 in fiscal 1990 and $35,517 in fiscal 1991 to the executive recommendation.

The difference in equipment reflect $7,100 in fiscal 1990 that the department had originally requested in a program expansion. The department reconsidered the program expansion and concluded that they would not have sufficient funding to finance the program expansion as proposed by the executive.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK — PROGRAM: DISEASE CONTROL DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	12.30	11.50	10.50	(1.00)	11.50	10.50	(1.00)	(1.80)
Personal Services	$322,664	$369,097	$370,425	$ 1,328	$369,378	$382,369	$12,991	14.80
Operating Expenses	79,056	97,722	114,889	17,167	98,249	115,403	17,154	45.33
Equipment	23,613	17,766	17,766	0	25,984	25,984	0	(24.76)
TOTAL EXPENSES	$425,333	$484,585	$503,080	$18,495	$493,611	$523,756	$30,145	18.28
FUNDING								
State Special Rev	$425,333	$484,585	$503,080	$18,495	$493,611	$523,756	$30,145	18.28

Program Description: The functions of the Disease Control Program are as follows: 1) provide diagnosis, prevention, control, and eradication of animal diseases and disorders; 2) maintain a disease surveillance system; 3) provide education and information on animal diseases and disorders to the livestock industry, the veterinary profession, and the public at large; 4) conduct applied research into the causes, transmissibility, and control of animal diseases and disorders; 5) enforce sanitary standards and inspect animals at livestock auction markets; 6) monitor and enforce import-export requirements applied to livestock; and 7) assist the Department of Health and Environmental Sciences in the control of animal diseases transmissible to man.

Legislative Intent: The legislature approved language which would consider a brucellosis outbreak an emergency for budget amendment purposes under the requirements of Section 17-7-401 through 17-7-405, MCA. This relates to the requirement that a budget amendment to spend state special revenues may only be approved if an emergency exists.

Budget: The department eliminated one word processing operator position in fiscal 1988 because of insufficient revenue to support this position. This reduction is carried forward into the 1991 biennium. In fiscal 1988, 0.20 FTE were transferred from the Milk and Egg Inspection Program to the Disease Control Program. The net result of both transfers was a decrease of 0.80 FTE from the fiscal 1988 appropriation. A 1.00 FTE clerical position was transferred to Centralized Services Division to provide accounting for the Meat Inspection Program.

In fiscal 1988, the program did not expend all of the salaries appropriated because 40 percent of the division administrator's time was charged to the Meat Inspection Program, along with 20 percent of the three veterinarians' time. Approximately $41,000 in salaries were financed by the Meat Inspection Program. This was a one-time shift in responsibilities to start-up the Meat Inspection Program.

The operating expenses increase by $35,000 per year for the department to contract with local veterinarians.

Funding: This division is financed by the Animal Health Fund account which receives approximately one-third of the per-head assessment on livestock. The fund also receives laboratory fees and charges.

Difference From Executive: The difference in FTE reflects the transfer of 1.00 FTE and $16,900 per year to the Centralized Services Division.

The use of a zero percent vacancy savings factor adds $7,500 per year while the pay plan adds $10,744 in fiscal 1990 and $22,413 in fiscal 1991 to the executive recommendation.

The difference in operating expenses reflects an additional $17,100 per year appropriated for contracting with local veterinarians.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK — PROGRAM: MILK AND EGG PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	6.20	6.00	6.00	0.00	6.00	6.00	0.00	(0.20)
Personal Services	$175,807	$172,392	$177,781	$5,389	$172,811	$184,015	$11,204	1.12
Operating Expenses	22,491	24,030	24,045	15	25,541	25,558	17	6.91
Equipment	11,938	21,991	21,991	0	11,475	11,475	0	84.21
TOTAL EXPENSES	$210,236	$218,413	$223,817	$5,404	$209,827	$221,048	$11,221	6.46
FUNDING								
General Fund	$190,233	$188,413	$193,817	$5,404	$179,827	$191,048	$11,221	1.88
Federal Revenue	20,003	30,000	30,000	0	30,000	30,000	0	49.98
TOTAL FUNDING	$210,236	$218,413	$223,817	$5,404	$209,827	$221,048	$11,221	6.46

Program Description: This program is responsible for insuring that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. The program provides for licensing, sampling, laboratory testing, and product and site inspecting done in cooperation with other state and federal agencies.

Budget: In fiscal 1988, 0.20 FTE was transferred to the Disease Control Program and the position has been removed from the 1991 biennial budget.

Operating expenses increase $500 per year for staff training and $1,750 per year for travel. Equipment includes funding to replace three high-mileage vehicles.

Funding: This program is funded primarily with general fund. The federal government contributes $25,000 per year for inspecting poultry products for the School Lunch Program and for the Egg Shell Surveillance Program. The budget includes $30,000 per year of federal funds because at the end of fiscal 1988 there was a fund balance of $16,700 in the federal account. Therefore, the $5,000 per year of surplus is being used in the 1991 budget. The $30,000 of federal funds is an increase of $10,000 per year over the amount appropriated in the 1989 biennium.

Difference From Executive: The pay plan adds $5,389 in fiscal 1990 and $11,204 in fiscal 1991 to the executive recommendation.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: INSPECTION AND CONTROL DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	59.21	59.21	59.21	0.00	61.21	61.21	0.00	0.00
Personal Services	$1,524,425	$1,498,770	$1,577,773	$79,003	$1,536,133	$1,684,241	$148,108	3.50
Operating Expenses	280,743	312,868	312,868	0	376,190	376,189	(1)	11.44
Equipment	108,332	100,490	100,490	0	98,539	98,539	0	(7.24)
TOTAL EXPENSES	$1,913,500	$1,912,128	$1,991,131	$79,003	$2,010,862	$2,158,969	$148,107	4.06
FUNDING								
State Special Rev	$1,913,500	$1,912,128	$1,991,131	$79,003	$2,010,862	$2,158,969	$148,107	4.06

Program Description: This program is responsible for theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of livestock security interests, dealer licensing, and hide and beef inspection.

Legislative Intent: The legislature included language that a budget amendment would be considered to meet the emergency requirements if the funds appropriated to complete the re-record are not sufficient. This relates to the requirement that a budget amendment to spend state special revenues may only be approved if an emergency exists.

Budget: During the 1989 biennial budget hearing, the department indicated that due to lack of revenue, additional positions may have to be eliminated. The department's projection proved correct and in fiscal 1988 the department eliminated 9.90 FTE from this program. The positions were 8.00 FTE brand inspectors and 1.90 FTE clerical. This reduction is continued into the 1991 biennium.

The 3.5 percent increase in personal services reflects an $11,650 increase in fiscal 1990 and $21,650 in fiscal 1991 in overtime, plus the pay plan. The additional increase in fiscal 1991 is caused by the program expansion. The 11.4 percent increase in operating expenses reflects a $16,050 per year increase in data networking costs and increases for the program expansion.

The equipment budget includes funding to replace five pickup trucks in fiscal 1990 and seven pickup trucks in fiscal 1991. The budget also includes funding for office equipment. The equipment also includes $30,000 in fiscal 1990 for the Brand Re-record Program expansion and $2,000 in fiscal 1991.

Funding: This program is funded by the Inspection and Control Fund. The Inspection and Control Fund receives approximately two-thirds of the per-head assessment on livestock and other inspection fees.

Program Expansion: The legislature has approved the program expansion detailed in Table 6.

Table 6
Inspection and Control Program Expansion

Program Expansion	FTE	Fiscal 1990 Total Funds	Fiscal 1991 Total Funds
10-Year Brands Re-record	2.00	$50,000	$114,315

10-Year Brands Re-record - is for $50,000 in fiscal 1990 for brand digitizing equipment and new programming which will enable automatic imprinting of brand images on re-record notices and new certificates. In fiscal 1991, the costs would be $114,315 for 2.00 FTE temporary administrative assistants and other re-record expenses.

Difference From Executive: The use of a zero percent vacancy savings factor adds $28,100 per year while the pay plan adds $50,926 in fiscal 1990 and $109,288 in fiscal 1991 to the executive recommendation. Fiscal 1991 also includes a $10,000 increase in overtime.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: PREDATOR CONTROL PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	1.00	1.00	1.00	0.00	1.00	1.00	0.00	0.00
Personal Services	$ 42,101	$ 41,972	$ 43,149	$ 1,177	$ 42,279	$ 44,733	$ 2,454	2.49
Operating Expenses	189,401	207,231	227,228	19,997	208,756	228,754	19,998	19.97
TOTAL EXPENSES	$231,502	$249,203	$270,377	$21,174	$251,035	$273,487	$22,452	16.79
FUNDING								
State Special Rev	$231,502	$249,203	$270,377	$21,174	$251,035	$273,487	$22,452	16.79

Program Description: This program offers protection to livestock producers by controlling certain types of predators that kill or injure domestic livestock.

Budget: The fiscal 1988 expenditures were used as the basis for the 1991 biennium. Insurance costs were reduced $5,988 in fiscal 1990 and $4,938 in fiscal 1991, and aircraft maintenance was reduced by $10,582 per year. The legislature increased the amount which the department can contract with federal and local agencies from $68,000 per year to $100,000 per year for predator control in eastern Montana. The legislature also provided an additional $20,000 per year for operating expenses for increased predator control.

Funding: This program is funded by an assessment on livestock based on taxable value, and a $95,000 per year grant from the Department of Fish, Wildlife, and Parks. The grant is $20,000 per year greater than the fiscal 1988 grant.

Difference From Executive: The pay plan adds $1,177 in fiscal 1990 and $2,454 in fiscal 1991 to the executive recommendation.

The difference in operating expenses reflects an additional $20,000 per year for additional predator control. The funding for the increase comes from the Department of Fish, Wildlife, and Parks.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: RABIES AND RODENT CONTROL PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	$57,223	$56,912	$56,912	$0	$56,930	$56,930	$0	(0.55)
FUNDING								
General Fund	$42,222	$41,912	$41,912	$0	$41,930	$41,930	$0	(0.74)
State Special Rev	15,001	15,000	15,000	0	15,000	15,000	0	(0.01)
TOTAL FUNDING	$57,223	$56,912	$56,912	$0	$56,930	$56,930	$0	(0.55)

Program Description: This program attempts to prevent exposure of domestic animals and humans to rabid animals.

Budget: The fiscal 1988 expenditures were used as the basis for the 1991 biennium base.

Funding: This program is funded by general fund and a $15,000 per year grant from the Department of Fish, Wildlife, and Parks.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: MEAT AND POULTRY INSPECTION PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	3.00	10.00	13.00	3.00	10.00	13.00	3.00	10.00
Personal Services	$ 91,988	$239,428	$329,518	$ 90,090	$239,706	$341,976	$102,270	258.22
Operating Expenses	20,592	37,868	112,375	74,507	38,044	112,091	74,047	445.72
Equipment	15,587	1,504	3,000	1,496	1,450	3,000	1,550	(80.75)
TOTAL EXPENSES	$128,167	$278,800	$444,893	$166,093	$279,200	$457,067	$177,867	247.12
FUNDING								
General Fund	$122,170	$139,400	$222,447	$ 83,047	$139,600	$228,534	$ 88,934	82.08
Federal Revenue	5,997	139,400	222,446	83,046	139,600	228,533	88,933	3609.29
TOTAL FUNDING	$128,167	$278,800	$444,893	$166,093	$279,200	$457,067	$177,867	247.12

Program Description: The Montana Meat and Poultry Inspection Act of 1987 provides the authority for this program whose function is to implement and enforce a state Meat Inspection Program equal to the inspection system maintained by the U.S. Department of Agriculture, Food Safety Inspection Service. The goals of the program are provided for in the Federal Wholesome Meat Act. It is the intent that this program, within the Animal Health Division, will provide a state certified supply of wholesome Montana meat products for retail consumption. By providing a state program under federal standards, it is anticipated that more Montana-raised products make their way into Montana-based processing plants.

Budget: During fiscal 1988, this program was initiated and had expenditures of $128,167 and 3.00 FTE. In fiscal 1989, the department has 10.00 FTE and will expend most of the amount appropriated.

For the 1991 biennium, the legislature increased the program's budget to 13.00 FTE. The increase will be detailed more in the "Program Expansion" section.

Program Expansion: In 1987, the legislature created a state Meat Inspection Program and located the program in the Department of Livestock. When the program was created, there were 55 official facilities and 166 exempt facilities in Montana which were inspected by the federal government. It was estimated in the fiscal note on the enacting legislation that if a state Meat Inspection Program was created that 30 of the 55 official facilities and the 166 exempt facilities would be under a state Meat Inspection Program.

To date, there are 170 exempt facilities under the state Meat Inspection Program and 12 official facilities. Four additional meat facilities are currently having their applications reviewed by the state for official status, and 15 other facilities have applied for official status.

It has been estimated that a meat inspector could inspect 2.0 official facilities. With the expansion of staff from 9 to 13, an additional 4 meat inspectors will be added to bring the total number of meat inspectors to 10. Therefore, the program expansion will allow a total of 20 official facilities to be inspected during the 1991 biennium. If all of the plants which are currently applying for official status are added to those which are currently official, there will be 31 official facilities in Montana.

Funding: Fifty percent of the program is funded with state general fund and 50 percent by federal funds from the U.S. Department of Agriculture. In fiscal 1988, the general fund financed $122,170 of the $128,167 in program expenditures. The federal government would not cost share expenses until the state was designated by the federal government to inspect. On June 6, 1988, the state received the designation to inspect and since that point in time, the federal government has financed 50 percent of the program's expenses.

Difference From Executive: The difference in FTE reflects the addition of 3.00 meat inspectors and $175,800 per year. The department presented the legislature with a revised budget request (the program expansion) which the legislature approved.

The use of a zero percent vacancy savings factor adds $4,900 per year, while the pay plan adds $11,321 in fiscal 1990 and $23,495 in fiscal 1991 to the executive recommendation.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	90.00	91.50	90.33	(1.17)	93.00	92.59	(0.41)	0.33
Personal Services	$2,151,903	$2,332,566	$2,435,401	$ 102,835	$2,373,252	$2,581,816	$ 208,564	13.17
Operating Expenses	952,900	1,083,076	1,221,872	138,796	1,088,181	1,228,823	140,642	28.23
Equipment	116,102	195,428	207,953	12,525	130,539	134,838	4,299	79.11
Non-Operating	1,126,528	1,839,364	2,579,746	740,382	1,793,048	2,531,381	738,333	129.00
TOTAL EXPENSES	$4,347,433	$5,450,434	$6,444,972	$ 994,538	$5,385,020	$6,476,858	$ 1,091,838	48.25
FUNDING								
General Fund	$1,485,406	$1,513,809	$1,620,164	$ 106,355	$1,465,579	$1,614,889	$ 149,310	9.07
State Special Rev	1,236,237	1,732,426	4,207,809	2,475,383	1,689,400	4,209,548	2,520,148	240.37
Federal Revenue	1,319,116	1,902,346	326,997	(1,575,349)	1,927,677	354,648	(1,573,029)	(75.21)
Proprietary Funds	6,632	30,716	10,058	(20,658)	30,865	10,561	(20,304)	51.66
Expendable Trusts	300,042	271,137	279,944	8,807	271,499	287,212	15,713	(6.70)
TOTAL FUNDING	$4,347,433	$5,450,434	$6,444,972	$ 994,538	$5,385,020	$6,476,858	$ 1,091,838	48.25

Program Description: The Department of Agriculture was established by Article XII, Section I of the Montana Constitution. It is designed to encourage and promote the interests of all agricultural and allied industries in Montana; collect and publish statistics relating to the production and marketing of agricultural products; assist, encourage, and promote the organization of farmers; gather and distribute marketing information; and administer regulations pertaining to production and marketing of food and fiber products.

Budget: The 0.33 FTE increase in fiscal 1990 and the 2.59 FTE increase in fiscal 1991 reflect the following changes: 1) a 0.74 FTE in fiscal 1990 and 3.00 FTE in fiscal 1991 are added for the three program expansions in the Environmental Management Division; 2) a 0.33 FTE in the Animal Feed Program is eliminated because federal funds to finance the position never materialized; 3) a 0.25 FTE and a 0.16 FTE in the Plant Industry Division are eliminated because the positions were vacant in fiscal 1989; 4) the 1.00 FTE alfalfa leaf cutter bee position is eliminated because of insufficient revenue; and 5) program expansions in the Agricultural Development Division add 1.33 FTE for the biennium.

The 13.2 percent increase in personal services reflects the program expansions, plus full funding of all positions. No vacancy savings factor has been applied to the department's budget.

The 28.2 percent increase in operating expenses reflects: 1) a $75,000 per year increase in the Wheat and Barley Research and Marketing Program's operational budget; and 2) $196,000 in fiscal 1990 and $218,200 in fiscal 1991 for program expansions. Approximately $50,000 per year of the $75,000 per year increase in the Wheat and Barley Research and Marketing Program is for dues to national and international organizations.

The 79.1 percent increase in equipment reflects the program expansion of $84,092 in fiscal 1990 and $51,500 in fiscal 1991 to replace a gas chromatograph/mass spectrometer and related data systems.

The 129.0 percent increase in non-operating costs reflects: 1) a $436,000 increase in fiscal 1990 and $438,000 in fiscal 1991 in Wheat and Barley Research and Marketing grants; 2) the inclusion of Growth Through Agriculture grants of $282,564 in fiscal 1990 and $232,926 in fiscal 1991; and 3) a $775,400 per year increase in Noxious Weed grants. The Growth Through Agriculture grants were statutorily appropriated in fiscal 1988.

Funding: The 9.1 percent increase in general fund is due to program expansions in the Environmental Management Division. The general fund increase is offset by an increase in pesticide fees. The fees are deposited into the general fund.

The 240.4 percent increase in state special revenues reflects: 1) the Growth Through Agriculture grants; 2) the increase in Noxious Weed grants; 3) program expansions; and 4) revenue accounts which in previous fiscal years were identified as federal revenues being changed to state special revenues by Senate Bill 80.

The 75.2 percent decrease in federal funds reflects the transfer of wheat and barley funds from federal revenue to state special revenue funds.

AGENCY: DEPARTMENT OF AGRICULTURE

LEGISLATIVE ACTION

PROGRAM: CENTRALIZED SERVICES DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	10.00	10.00	10.00	0.00	10.00	10.00	0.00	0.00
Personal Services	$307,130	$308,066	$324,483	$ 16,417	$308,946	$336,085	$ 27,139	5.65
Operating Expenses	80,892	89,673	90,306	633	69,838	70,470	632	11.64
Equipment	6,144	2,860	2,860	0	5,100	5,100	0	(53.45)
TOTAL EXPENSES	$394,166	$400,599	$417,649	$ 17,050	$383,884	$411,655	$ 27,771	5.96
FUNDING								
General Fund	$229,774	$211,683	$192,793	$(18,890)	$192,385	$176,423	$(15,962)	(16.09)
State Special Rev	80,130	92,462	172,685	80,223	94,162	182,703	88,541	115.51
Federal Revenue	54,037	64,725	19,251	(45,474)	65,055	18,519	(46,536)	(64.37)
Expendable Trust	30,225	31,729	32,920	1,191	32,282	34,010	1,728	8.92
TOTAL FUNDING	$394,166	$400,599	$417,649	$ 17,050	$383,884	$411,655	$ 27,771	5.96

Program Description: The Central Services Division provides accounting, fiscal management, payroll, personnel, purchasing, property control, data processing, equal opportunity administration, and legal support to all programs within the department. Contained within the division is funding for the department's audit and the expenditure authority to expend private donations if any are received.

Budget: In fiscal 1988, the department was reorganized and the Noxious Weed and the Agriculture-in-the-Classroom Programs were transferred to the Agricultural Development Division. This reorganization transferred 1.25 FTE and associated operating expenses to the Agricultural Development Division.

Fiscal 1988 operating expenses include $9,282 incurred when the department hosted the Western Association of State Departments of Agriculture, and $1,570 of oil overcharge expenditures. The adjusted fiscal 1988 operating expenses, which excludes these expenditures, is $70,040. From the adjusted fiscal 1988 operating expenses, the increases over the fiscal 1988 level are: 1) $3,600 annually for computer line and access charges and $816 annually for SBAS on-line charges; 2) $2,365 in fiscal 1990 for legislative audit costs; 3) $3,853 in fiscal 1990 and $3,180 in fiscal 1991 for rent; 4) $1,409 per year for federal indirect costs paid to the Department of Administration; 5) $2,220 per year for computer maintenance and support, and staff training; 6) $3,600 in fiscal 1991 for a computer networking system; 7) a $1,800 per

year increase for dues to the National Association of State Department of Agriculture; and 8) a $4,600 per year increase in private funds to host foreign delegations. The federal indirect cost is totally financed by federal funds.

The equipment budget includes funding for multi-user computers and terminals, a wide-carriage printer, and a calculator.

Funding: The funding for the Central Services Division is prorated to the various revenue sources which support the department's programs. The personal services of each program, compared to the department's total personal services, were used as the ratio for determining an individual program's support of Centralized Services. Also factored into the calculation for support of the division was 2.5 percent of a program's grant appropriation. Those revenue accounts, such as the Anhydrous Ammonia Fund, Apple Inspection Fund, Agricultural Pesticide Fund, and the Alfalfa Leaf Cutter Bee Fund, which couldn't finance their complete shares of administrative costs, were subsidized by the general fund. Table 1 details the 1991 biennium funding of the division. The primary cause for the 16.1 percent reduction in general fund is a $33,000 per year increase in noxious weed funds support for the division. The 115.5 percent increase in state special funds is the use of $33,000 per year of noxious weed funds for administrative support and the transfer of wheat research and private funds from federal special revenues to state special revenues pursuant to Senate Bill 80.

Table 1
Centralized Services Division 1991 Biennium Funding

	Fiscal 1990	Fiscal 1991
General Fund	$192,793	$176,423
Noxious Weed	33,000	33,749
Commercial Fertilizer	16,461	17,666
Grain Service	59,540	63,871
Commercial Feed	16,461	17,666
Marketing Service	19,251	18,519
Wheat Research	42,223	44,751
Private Donations	5,000	5,000
Rural Development	7,808	8,039
Hail Insurance	25,112	25,971
Total	$417,649	$411,655

Difference From Executive: The use of a zero percent vacancy savings factor adds $6,500 per year, while the pay plan adds $9,958 in fiscal 1990 and $20,662 in fiscal 1991 to the executive recommendation.

The differences in funding reflect: 1) the legislature allocated $33,000 of the division's cost to noxious weed funds rather than general fund; and 2) the legislature reclassified the $42,300 per year of wheat research and $5,000 per year of private funds from federal special revenues to state special revenues.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE

PROGRAM: ENVIRONMENTAL DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	25.50	26.00	26.24	0.24	27.50	28.50	1.00	0.74
Personal Services	$670,889	$ 687,361	$ 729,372	$42,011	$ 723,989	$ 811,495	$ 87,506	8.72
Operating Expenses	204,782	232,339	270,283	37,944	254,587	294,283	39,696	31.99
Equipment	77,455	145,989	158,514	12,525	89,116	91,265	2,149	104.65
Non-Operating	0	17,081	17,081	0	17,081	17,081	0	N/A
TOTAL EXPENSES	$953,126	$1,082,770	$1,175,250	$92,480	$1,084,773	$1,214,124	$129,351	23.30
FUNDING								
General Fund	$595,382	$ 682,311	$ 754,332	$72,021	$ 670,294	$ 762,498	$ 92,204	26.70
State Special Rev	122,018	176,267	192,623	16,356	167,778	195,012	27,234	57.86
Federal Revenue	235,726	224,192	228,295	4,103	246,701	256,614	9,913	(3.15)
TOTAL FUNDING	$953,126	$1,082,770	$1,175,250	$92,480	$1,084,773	$1,214,124	$129,351	23.30

Program Description: This program is responsible for administering the Montana Pesticides Act, the Crop Insect Detection and Management Act, the Noxious Plant Management Assistance Act, and the Vertebrate Pest Management Act, and for managing the department's chemical analytical laboratory. Technical and consultant services are also provided to consumers and agricultural producers in pesticide chemical analysis and in pest management areas.

Legislative Intent: The legislature has appropriated $24,542 in fiscal 1990 and $24,593 in fiscal 1991 for the rodent advisory committee. The revenue to support the program is to come from the rodenticide tax, gifts, and grants. The legislature included language that the committee could only expend revenues obtained from these sources.

Budget: The 0.74 FTE increase in fiscal 1990 and the 3.00 FTE increase in fiscal 1991 reflects three program expansions. The increase in personal services is also related to the program expansions.

The 32.0 percent increase in operating expenses reflects the following changes. First, $9,645 of budget amendment expenditures were removed from the fiscal 1988 base. Second, operating expenses were increased $4,600 per year for the Rodent Advisory Committee. The committee was established in fiscal 1988, and therefore, expenditures did not reflect a full year of operations. Third, printing costs were increased $4,000 in fiscal 1990 and $6,750 in fiscal 1991 for

pesticide use and sales forms, pesticide act reprints, administrative rules, and special inspection forms and reports. Fourth, insurance costs were increased $275 per year. Fifth, contracted services were increased $850 per year for university personnel to develop a pesticide training manual. Sixth, laboratory supplies were increased $7,537 per year. This increase was funded by federal funds. Seventh, professional periodicals were increased $2,675 annually. Eighth, travel was increased $3,350 per year. Ninth, maintenance contracts were reduced $4,950 per year for the gas chromatograph/mass spectrometer which is to be replaced as detailed in program expansion #3. Tenth, maintenance was increased $2,600 per year on vehicles. Eleventh, inflation and program expansions increased the budget $54,209 in fiscal 1990 and $75,459 in fiscal 1991.

Equipment is budgeted at $158,514 in fiscal 1990 and $91,265 in fiscal 1991. Table 2 details the equipment.

Table 2
Environmental Management Division Equipment

	Fiscal 1990	Fiscal 1991
Field Service		
Computer	$ 2,545	$ 2,549
Miscellaneous	736	758
Laboratory		
Gas Chromatograph/Mass Spectrometer and Related Data System (Program Expansion #3)	84,092	51,500
Copier Replacement	2,200	
Freezer	1,800	
Photoconductivity Detector		7,200
Wrist Action Shaker	1,900	
Refrigerator	1,500	
Food Chopper	2,500	
Centrifugal Mill		3,500
Wiley Mill		6,000
Muffle Furnace		4,000
High Pressure Liquid Chromatograph System	25,000	
Toploading Balance		2,500
Miscellaneous	1,500	3,950
Equipment for Pesticide Specialist (Program Exp. #1)	10,677	6,759
Technical Services		
3/4 Ton 4-Wheel Drive Pickup	11,475	
P.C.'s	2,549	2,549
Groundwater Protection	10,040	
	$158,514	$91,265

The non-operating expenses of $17,081 are the rodenticide funds appropriated for grants to agencies, private citizens, or universities to study rodents and the use of rodenticides.

Program Expansions: Four program expansions for the Environmental Management Division have been approved. Table 3 details the four expansions.

Table 3
Environmental Management Division - Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
1. Pesticide Labeling	0.25	$ 7,597	$ 22,297	1.00	$ 25,080	$ 49,980
2. Well Monitoring	0.25	6,534	15,434	1.00	22,946	41,146
3. Equipment Purchase	0.00	84,092	84,092	0.00	51,500	51,500
4. Groundwater Protection	0.24	44,901	52,901	1.00	44,901	59,901
Total	0.74	$143,124	$174,724	3.00	$144,427	$202,527

1. The pesticide labeling program expansion implements a new EPA pesticide labeling program on ground water, endangered species, pesticide disposal, and farm worker pesticide protection standards and certification.

2. The well monitoring program expansion samples wells for pesticide contamination.

3. The equipment purchase program expansion replaces the department's gas chromatograph/mass spectrometer and related data system.

4. The groundwater protection program expansion funds additional responsibilities given the department by House Bill 757. House Bill 757 establishes an Agricultural Chemical Groundwater Protection Program. The general fund increase of $44,901 per year is offset by a $15 pesticide product fee increase contained in House Bill 757. The pesticide product fees are deposited into the general fund.

To fund the general fund portion of the pesticide labeling program, well monitoring, and equipment purchase, the executive budget proposes raising certain pesticide registration and licensing fees. The income from the registration and licensing of pesticide products and the people who sell or use them is deposited into the general fund. The most

significant increase is in the product registration fee which the executive proposes to increase from $50 to $75 per product. The proposed increase would generate $132,450 per year, while the general fund expenditure increase for the three pesticide related program expansions is $98,223 in fiscal 1990 and $99,526 in fiscal 1991. The fee increases are part of House Bill 190.

Funding: The program is funded with general fund, state special revenue, and federal funds as detailed in Table 4.

Table 4
Funding of the Environmental Division

Fiscal 1990	Administration	Rodent Advisor	Field Services	Laboratory	Technical Services	Total
General Fund	$103,823	$ -0-	$169,122	$163,973	$317,414	$ 754,332
State Special						
Vertebrate Fund	-0-	24,542	-0-	-0-	-0-	24,542
Commercial Feed	-0-	-0-	-0-	72,392	-0-	72,392
Commercial Fertilizer	-0-	-0-	-0-	72,392	-0-	72,392
Training Fund	-0-	-0-	-0-	-0-	18,297	18,297
Ag. Pesticides	-0-	-0-	-0-	-0-	5,000	5,000
Federal						
Marketing Service	-0-	-0-	49,568	124,058	54,669	228,295
Total	$103,823	$24,542	$218,690	$432,815	$395,380	$1,175,250
Fiscal 1991						
General Fund	$107,062	$ -0-	$190,281	$131,189	$333,966	$ 762,498
State Special						
Vertebrate Fund	-0-	24,593	-0-	-0-	-0-	24,593
Commercial Feed	-0-	-0-	-0-	69,577	-0-	69,577
Commercial Fertilizer	-0-	-0-	-0-	69,577	-0-	69,577
Training Fund	-0-	-0-	-0-	-0-	26,265	26,265
Ag. Pesticides	-0-	-0-	-0-	-0-	5,000	5,000
Federal						
Marketing Service	-0-	-0-	60,899	131,790	63,925	256,614
Total	$107,062	$24,593	$251,180	$402,133	$429,156	$1,214,124

Other Legislation:

House Bill 190 increases certain pesticide registration and licensing fees. The bill increases the pesticide product registration fee from $50 annually per product to $75 per product. It is estimated that the fee increase will result in an additional $124,725 per year to the general fund. The bill also raises other pesticide related fees.

House Bill 757 establishes an Agricultural Chemical Groundwater Protection Program to be administered by the Department of Agriculture and the Department of Health and Environmental Sciences in cooperation with the Agricultural Extension Service. The primary task of the agencies in the 1991 biennium is to develop cooperative programs which meet the requirements of EPA, including a general pesticide plan. The bill raises the pesticide product registration fee by $15 per year to finance the added responsibilities of the bill. The bill also raises the commercial fertilizer registration fee by $10 per product, and deposits the additional income in the commercial fertilizer state special revenue fund. The additional commercial fertilizer income is to be used if the Department of Agriculture and the Department of Health and Environmental Sciences determine that residues from commercial fertilizer are present in the groundwater.

The new pesticide product registration fee will be $90 per product per year when the increases in House Bill 190 and House Bill 757 are combined. Table 5 details the specific fees which are being increased, the current fees, and the new fees in House Bill 190 and House Bill 757.

Table 5
Department of Agriculture
Pesticide Registration and Licensing Recommended Fee Increase
Current Rates and New Rates Effective July 1, 1989

Category of Fee	Old Fee	New Fee
Pesticide Registration (chemical companies)	$50	$90
Private Applicators (farmers and ranchers)	15	15
Pesticide Dealers (retail businesses)	35	45
Pesticide Applicators (commercial)	35	45

There are approximately 1,200 commercial fertilizer products registered each year. Therefore, the additional fee in House Bill 757 will generate approximately $12,000 per year. However, there is no additional appropriation authority in House Bill 100 for the departments to expend the additional commercial fertilizer income.

Difference From Executive: House Bill 757 adds a 0.24 FTE and $52,901 in fiscal 1990, and 1.00 FTE and $59,901 in fiscal 1991.

The use of a zero percent vacancy savings factor adds $14,000 per year, while the pay plan adds $23,767 in fiscal 1990 and $53,461 in fiscal 1991 to the executive recommendation.

The legislature reclassified $5,000 per year of private funds from federal special revenues to state special revenues.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE — PROGRAM: PLANT INDUSTRY DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	31.83	31.50	30.09	(1.41)	31.50	30.09	(1.41)	(1.74)
Personal Services	$702,849	$769,507	$783,208	$ 13,701	$771,861	$ 813,264	$ 41,403	11.43
Operating Expenses	133,708	152,916	168,299	15,383	152,351	168,236	15,885	25.87
Equipment	12,997	34,198	34,198	0	32,281	32,281	0	163.12
TOTAL EXPENSES	$849,554	$956,621	$985,705	$ 29,084	$956,493	$1,013,781	$ 57,288	16.03
FUNDING								
General Fund	$396,179	$433,090	$453,437	$ 20,347	$420,934	$ 453,988	$ 33,054	14.45
State Special Rev	435,914	482,600	513,053	30,453	494,727	540,328	45,601	17.70
Federal Revenue	6,956	10,215	9,157	(1,058)	9,967	8,904	(1,063)	31.64
Proprietary Funds	10,505	30,716	10,058	(20,658)	30,865	10,561	(20,304)	(4.26)
TOTAL FUNDING	$849,554	$956,621	$985,705	$ 29,084	$956,493	$1,013,781	$ 57,288	16.03

Program Description: This program administers agricultural programs relating to the production, manufacturing, and marketing of commodities exported from or distributed in the state. The division provides services to industry by: 1) performing professional insect/disease surveys; 2) inspecting feed mills; 3) issuing official commodity certificates; 4) issuing dealer licenses/permits; 5) registering products; 6) analyzing bees for diseases; and 7) collecting various assessment fees. Division personnel provide technical/scientific information upon request to the industry and the general public by investigating and resolving consumer complaints. The consumer complaints range from product contamination and quality control to elevator bankruptcies and non-payment for products.

Legislative Intent: The legislature included language that deems the emergency criteria for approval of budget amendments met if workload at the state grain laboratory exceeds that which can be handled with amounts appropriated. The emergency criteria relates to expenditure of state special revenue funds.

Budget: The reduction of 1.74 FTE reflects the following. First, a 0.33 FTE in the Animal Feed Program was not carried forward into the 1991 biennium. The Animal Feed Program was a federally funded program. Second, two positions, a 0.25 FTE and a 0.16 FTE which were vacant in fiscal 1989 were eliminated. Third, 1.00 FTE for the Alfalfa Leaf Cutter Bee program was eliminated because of insufficient revenue.

The 11.4 percent increase in personal services is reflected by the following changes. First, in fiscal 1988 the department was involved in a personnel dispute which resulted in $5,400 of general fund personal services going unspent. The dispute has since been resolved. Second, approximately $8,300 of funds provided for potato and cherry inspectors in fiscal 1988 were not used. Third, $17,000 of state special revenue funds provided for grain lab part-time personnel in fiscal 1988 were not used. Fourth, $300 per year is added for Mint Committee per diem. For the first three items, the funding has been restored in the 1991 biennial budget.

The operating budget includes an increase of $5,501 per year in administrative costs of federal government inspections and a $3,000 per year increase for anticipated federal cost increases. The $5,501 per year was included in the budget because the department received a billing from the federal government and should have accrued the expenditure; therefore, it was a legitimate expense of fiscal 1988 that is part of the 1991 biennial budget. There was a reduction of $4,400 per year in one-time contractual service costs. An additional $1,850 per year was included for the computer subscription rate to the Department of Administration. Supplies and materials for the Grain Laboratory increased $2,650 per year. Travel increased $3,850 per year, and rent increased $400 per year. Grain laboratory maintenance increased $750 per year and training was increased $1,050 per year. The Mint Committee program expansion increases operating expenses $9,950 per year. The Alfalfa Leaf Cutter Bee Program operating expenses were increased approximately $6,500 per year. The equipment budget includes funds for three vehicle replacements and computer equipment enhancements.

Program Expansion: Included in the budget is $10,250 per year for the implementation of House Bill 360, which created the Montana Mint Committee. The department is to inspect mint fields before the field is harvested for areas of verticillium wilt. The budget includes $300 per year for the committee's per diem and $9,950 per year for department expenses. This appropriation is funded by a mint assessment created in House Bill 360.

Funding: Table 6 details the Plant Industry Division funding for the 1991 biennium.

Table 6
Plant Industry Division

Fiscal 1990	Administration	Commodity Services	Mint Committee	Alfalfa Leaf Cutter Bee	Medicated Feed	Anhydrous Ammonia	Grain Lab.	Total
General Fund	$453,437	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 453,437
State Special								
Apple Inspection	3,221	-0-	-0-	-0-	-0-	-0-	-0-	3,221
Commercial Feed	-0-	51,297	-0-	-0-	-0-	-0-	-0-	51,297
Commercial Fert.	-0-	51,297	-0-	-0-	-0-	-0-	-0-	51,297
Anhydrous Ammonia	-0-	-0-	-0-	-0-	-0-	28,226	-0-	28,226
Grain Service	-0-	-0-	-0-	-0-	-0-	-0-	367,702	367,702
Mint Assessment	-0-	-0-	10,250	-0-	-0-	-0-	-0-	10,250
Wheat Inspection	1,060	-0-	-0-	-0-	-0-	-0-	-0-	1,060
Federal Funds								
Marketing Service	-0-	-0-	-0-	-0-	9,157	-0-	-0-	9,157
Proprietary Fund								
Alfalfa Leaf Cutter Bee	-0-	-0-	-0-	10,058	-0-	-0-	-0-	10,058
Total	$457,718	$102,594	$10,250	$10,058	$9,157	$28,226	$367,702	$ 985,705
Fiscal 1991								
General Fund	$453,988	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 453,988
State Special								
Apple Inspection	3,320	-0-	-0-	-0-	-0-	-0-	-0-	3,320
Commercial Feed	-0-	56,220	-0-	-0-	-0-	-0-	-0-	56,220
Commercial Fert.	-0-	56,220	-0-	-0-	-0-	-0-	-0-	56,220
Anhydrous Ammonia	-0-	-0-	-0-	-0-	-0-	29,245	-0-	29,245
Grain Service	-0-	-0-	-0-	-0-	-0-	-0-	384,013	384,013
Mint Assessment	-0-	-0-	10,250	-0-	-0-	-0-	-0-	10,250
Wheat Inspection	1,060	-0-	-0-	-0-	-0-	-0-	-0-	1,060
Federal Fund								
Marketing Service	-0-	-0-	-0-	-0-	8,904	-0-	-0-	8,904
Proprietary Fund								
Alfalfa Leaf Cutter Bee	-0-	-0-	-0-	10,561	-0-	-0-	-0-	10,561
Total	$458,368	$112,440	$10,250	$10,561	$8,904	$29,245	$384,013	$1,013,781

Other Legislation:

House Bill 138 deposits the revenue earned from apple inspections into a state special revenue account instead of a proprietary account.

House Bill 360 establishes the Montana Mint Committee which is described in "Program Expansion" section.

House Bill 675 revises laws relating to the management of alfalfa leaf-cutting bees. The bill establishes an alfalfa leaf-cutting bee committee and grants the committee the authority to assess and collect fees from bee owners. Contained in House Bill 100 is $10,058 in fiscal 1990 and $10,561 in fiscal 1991 for management of the program. The amount appropriated for the 1991 biennium is approximately one-third of the amount appropriated in the 1989 biennium. The reduction reflects a more realistic estimation of the income from an alfalfa leaf-cutter bee assessment.

Difference From Executive: The difference in FTE reflects: 1) the elimination of a 0.25 and a 0.16 FTE, and $6,500 per year because the positions were vacant in fiscal 1989; and 2) the elimination of 1.00 FTE and $28,300 per year which administered the Alfalfa Leaf Cutter Bee Program because of insufficient revenues to support the position.

The use of a zero percent vacancy savings adds $15,500 per year, while the pay plan adds $25,767 in fiscal 1990 and $53,582 in fiscal 1991.

House Bill 360 (Alfalfa Leaf Cutter Bee Program) adds $9,950 per year of operating expenses. Most of the $9,950 is to allow the department to contract for necessary services rather than using a state employee.

The legislature reclassified $11,300 per year of wheat research funds from federal special revenues to state special revenues.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE

PROGRAM: AGRICULTURAL DEVELOPMENT DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	22.67	24.00	24.00	0.00	24.00	24.00	0.00	1.33
Personal Services	$ 471,035	$ 567,632	$ 598,338	$ 30,706	$ 568,456	$ 620,972	$ 52,516	27.03
Operating Expenses	533,518	608,148	692,984	84,836	611,405	695,834	84,429	29.89
Equipment	19,506	12,381	12,381	0	4,042	6,192	2,150	(36.53)
Non-Operating	1,126,528	1,822,283	2,562,665	740,382	1,775,967	2,514,300	738,333	127.48
TOTAL EXPENSES	$2,150,587	$3,010,444	$3,866,368	$ 855,924	$2,959,870	$3,837,298	$ 877,428	79.78
FUNDING								
General Fund	$ 264,071	$ 186,725	$ 219,602	$ 32,877	$ 181,966	$ 221,980	$ 40,014	(16.84)
State Special Rev	598,175	981,097	3,329,448	2,348,351	932,733	3,291,505	2,358,772	456.60
Federal Revenue	1,022,397	1,603,214	70,294	(1,532,920)	1,605,954	70,611	(1,535,343)	(93.12)
Proprietary Funds	(3,873)	0	0	0	0	0	0	(100.00)
Expendable Trusts	269,817	239,408	247,024	7,616	239,217	253,202	13,985	(8.45)
TOTAL FUNDING	$2,150,587	$3,010,444	$3,866,368	$ 855,924	$2,959,870	$3,837,298	$ 877,428	79.78

Program Description: This program is composed of nine units: 1) Rural Development; 2) Crop and Livestock Reporting; 3) Marketing; 4) Hail Insurance; 5) Wheat and Barley Research and Marketing; 6) Noxious Weed Program; 7) Alfalfa Seed Committee; 8) the Growth Through Agriculture Program; and 9) the Agriculture Counseling and Mediation Program. The Hail Insurance, Wheat and Barley Research and Marketing, Noxious Weed, and Growth Through Agriculture programs are new to the division.

The programs in this division are primarily designed to assist the agricultural community with promotion, loans, export advice, and technical information.

Legislative Intent: The legislature directed the department to implement rules to charge and collect a fee for the agricultural financial assistance and mediation activities. Included in the language is a requirement that revenues received from fees shall be expended prior to general fund. At the completion of the Agriculture Counseling and Mediation Program, the remaining fund balance shall be deposited into the general fund.

Language is included which authorizes the department to make grants to other state agencies from the Growth Through Agriculture account as approved by the Montana Agriculture Development Council in accord with Section 90-9-101, et. seq. MCA.

Budget: The increase of 1.33 FTE reflects the following changes: 1) a 0.67 FTE in the Alfalfa Seed Program has been eliminated because revenues have never been sufficient to fully fund the position; and 2) 2.00 FTE were added in program expansions. One position was added in the administrative assistant expansion, and one position was added to the Wheat and Barley Research and Marketing Program.

The other three program expansions result in no net increase in FTE because in fiscal 1988, the Agricultural Counseling and Mediation Program had 2.33 FTE and in the 1991 biennium, there is 1.00 FTE appropriated. The division administrator and the 0.33 clerical were part of the 2.33 FTE in fiscal 1988. Also transferred to this division was the Growth Through Agriculture Program. The main table includes the Growth Through Agriculture program in the "Actual Fiscal 1988" column; therefore, there is no net increase caused by the 2.00 transferred FTE.

Personal services increase $127,303 in fiscal 1990 and $149,937 in fiscal 1991. Approximately $25,000 per year of the increase results from fully funding the Growth Through Agriculture positions. The administrative assistant and Wheat and Barley program expansions increase personal services by approximately $45,000 per year. The pay plan adds $20,300 in fiscal 1990 and $42,133 in fiscal 1991. The remaining $37,000 per year increase results from no vacancy savings being applied and fully funding all positions which were partially vacant in fiscal 1988.

The $159,466 operating expense increase in fiscal 1990 and the $162,316 increase in fiscal 1991 are the result of three major factors: 1) national association dues for the Wheat and Barley Commission were increased by approximately $50,000 per year; 2) alfalfa seed research was increased $6,500 per year; and 3) operating expenses were increased due to program expansions.

The non-operating budget increases $1,436,137 in fiscal 1990 and $1,387,772 in fiscal 1991 and is primarily caused by the following changes. First, the Wheat and Barley Research and Marketing Program grants increased by $436,000 in fiscal 1990 and by $438,000 in fiscal 1991. Second, the inclusion of the Growth Through Agriculture grants in the appropriation bill. Previously these grants were statutorily appropriated. The grants are $282,564 in fiscal 1990 and $232,926 in fiscal 1991. Third, noxious weed grants were increased by $755,400 per year with $702,400 of the increase generated by House Bill 477, which increases the vehicle registration fee. The other change in non-operating is the elimination of $36,300 for payment of forfeited bond revenue from a grain bankruptcy.

Program Expansions: Five program expansions for the Agricultural Development Division have been approved. Table 7 details the five expansions.

Table 7
Agricultural Development Division - Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
1. Administrative Assistant	1.00	$ -0-	$ 30,139	1.00	$ -0-	$ 30,210
2. Agricultural Development Div. Admin.	1.33	50,408	50,408	1.33	50,509	50,509
3. Wheat and Barley Position	1.00	-0-	28,443	1.00	-0-	23,773
4. Ag. Counseling and Mediation Program	1.00	42,910	167,791	1.00	43,101	168,049
5. Noxious Weed Program	0.00	-0-	702,411	0.00	-0-	702,038
Total	4.33	$93,318	$979,192	4.33	$93,610	$974,579

1. The Administrative Assistant program expansion adds an administrative assistant who will work two-thirds time in the Noxious Weed Control Program and one-third time in the Rural Development Program. The position is financed with noxious weed vehicle assessment funds and rural development funds and would cost $60,349 for the biennium.

2. The Agricultural Development Division Administrator program expansion finances the Agricultural Development Division administrator and a 0.33 FTE secretary. In the 1989 biennium, the positions were financed with funds from the Agriculture Counseling and Mediation Program.

3. The Wheat and Barley Position program expansion adds 1.00 FTE to work on barley related issues and grant activity. The position is financed with revenue from the wheat and barley assessment.

4. The Agriculture Counseling and Mediation program expansion continues a modified Agriculture Counseling and Mediation Program. The expansion continues a 1.00 FTE program manager and operating expenses. The funding of the program is $86,011 general fund, $129,829 of mediation and financial assistance fees, and $120,000 federal funds. The total biennial budget is $335,840.

5. The Noxious Weed program expansion reflects the passage of House Bill 477, which increased the vehicle registration by $1.00 and earmarks the funds to the Noxious Weed Program.

Funding: Table 8 details the funding of the Agricultural Development Division.

Table 8
Agricultural Division Funding

Fiscal 1990	Alfalfa Seed	Rural Develop.	Noxious Weed	Hail Ins.	Market Bureau	Ag. in Schools	Wheat Research	Ag. Couns & Mediat.	Growth Thru Agri	Total
General Fund	$ -0-	$ -0-	$ -0-	$ -0-	$176,481	$ -0-	$ -0-	$ 43,121	$ -0-	$ 219,602
State Special										
Ag. in Mont. Schools	-0-	-0-	-0-	-0-	-0-	8,842	-0-	-0-	-0-	8,842
Alfalfa Seed	20,685	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	20,685
Noxious Weeds	-0-	-0-	1,340,456	-0-	-0-	-0-	-0-	-0-	-0-	1,340,456
Coal Tax Counseling Fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	350,000	350,000
Counseling Fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	65,200	-0-	65,200
Wheat Research	-0-	-0-	-0-	-0-	35,269	-0-	1,508,996	-0-	-0-	1,544,265
Federal Funds										
Marketing Service	-0-	-0-	-0-	-0-	10,000	-0-	-0-	-0-	-0-	10,000
Federal Counseling Fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	60,294	-0-	60,294
Expendable Trusts										
Rural Development	-0-	79,357	-0-	-0-	-0-	-0-	-0-	-0-	-0-	79,357
Hail Insurance	-0-	-0-	-0-	$167,667	-0-	-0-	-0-	-0-	-0-	167,667
Total	$20,685	$79,357	$1,340,456	$167,667	$221,750	$8,842	$1,508,996	$168,615	$350,000	$3,866,368
Fiscal 1991										
General Fund	$ -0-	$ -0-	$ -0-	$ -0-	$178,441	$ -0-	$ -0-	$ 43,539	$ -0-	$ 221,980
State Special										
Ag. in Mont. Schools	-0-	-0-	-0-	-0-	-0-	8,846	-0-	-0-	-0-	8,846
Alfalfa Seed	21,031	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	21,031
Noxious Weed	-0-	-0-	1,343,832	-0-	-0-	-0-	-0-	-0-	-0-	1,343,832
Coal Tax Counseling Fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	300,000	300,000
Counseling Fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	65,608	-0-	65,608
Wheat Research	-0-	-0-	-0-	-0-	36,865	-0-	1,510,323	-0-	-0-	1,547,188
Private Donations	-0-	-0-	-0-	-0-	5,000	-0-	-0-			5,000
Federal Funds										
Marketing Service	-0-	-0-	-0-	-0-	10,000	-0-	-0-	-0-	-0-	10,000
Federal Counseling Fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	60,611	-0-	60,611
Expendable Trusts										
Rural Development	-0-	79,911	-0-	-0-	-0-	-0-	-0-	-0-	-0-	79,911
Hail Insurance	-0-	-0-	-0-	173,291	-0-	-0-	-0-	-0-	-0-	173,291
Total	$21,031	$79,911	$1,343,832	$173,291	$230,306	$8,846	$1,510,323	$169,758	$300,000	$3,837,298

Other Legislation:

House Bill 18 transfers the Montana Agriculture Development Council from the Department of Commerce to the Department of Agriculture. The council administers the Growth Through Agriculture Program, which is now part of the Agricultural Development Division budget.

House Bill 273 continues the Agriculture Counseling and Mediation Program, which is program expansion #4.

House Bill 477 increases the vehicle registration fee by $1.00 and earmarks the additional revenue for the Noxious Weed Program. The increase in fees is projected to produce an additional $760,000 per year. The additional revenue has been included in the Noxious Weed Program and a portion allocated for administrative overhead costs.

House Bill 658 amends the Growth Through Agriculture Program to establish an agricultural development program which consists of seed capital and research and development components. The Montana Agriculture Development Council may make seed capital project loans for development and/or commercialization of innovative agricultural products or processes. The council may also make research and development loans if potential projects meet the criteria established in the bill.

Difference From Executive: The use of a zero percent vacancy savings factor adds $10,400 per year, while the pay plan adds $20,326 in fiscal 1990 and $42,133 in fiscal 1991 to the executive recommendation.

The differences in operating expenses reflect: 1) the legislature approved $29,300 less for Wheat Research Association dues than was recommended by the executive; and 2) the legislature approved an additional $114,300 for the Agriculture Counseling and Mediation Program.

The difference in non-operating expenses reflects the additional funding for the Noxious Weed Program created by the passage of House Bill 477. Approximately $740,000 per year was added as grants.

The legislature reclassified approximately $1.5 million of wheat research and marketing and $5,000 of private funds in fiscal 1991 from federal special revenues to state special revenues.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	297.73	327.00	328.92	1.92	333.13	336.69	3.56	31.19
Personal Services	$ 7,865,133	$ 8,109,937	$ 8,619,187	$ 509,250	$ 8,250,214	$ 9,119,867	$ 869,653	9.59
Operating Expenses	6,910,367	7,576,181	7,679,132	102,951	7,283,941	7,227,477	(56,464)	11.12
Equipment	586,205	829,082	960,139	131,057	514,270	611,979	97,709	63.79
Non-Operating	2,297,492	5,310,000	5,410,000	100,000	5,310,000	5,410,000	100,000	135.47
TOTAL EXPENSES	$17,659,197	$21,825,200	$22,668,458	$ 843,258	$21,358,425	$22,369,323	$1,010,898	28.37
FUNDING								
General Fund	$ 8,156,485	$ 7,612,348	$ 8,202,276	$ 589,928	$ 7,453,292	$ 8,224,426	$ 771,134	0.56
State Special Rev	2,292,716	3,554,966	4,779,863	1,224,897	3,411,376	4,594,017	1,182,641	108.48
Federal Revenue	7,069,695	10,474,362	9,502,774	(971,588)	10,310,053	9,366,341	(943,712)	34.42
Proprietary Fund	140,301	183,524	183,545	21	183,704	184,539	835	30.82
TOTAL FUNDING	$17,659,197	$21,825,200	$22,668,458	$ 843,258	$21,358,425	$22,369,323	$1,010,898	28.37

Program Description: The Department of State Lands was created in 1927 to administer grazing and agricultural trust lands. The lands administered by the department were acquired in the Enabling Act of 1889, which granted to Montana, for common school support, Sections 16 and 36 in every township within the state, plus other lands for specific educational institutions. The primary purpose of the department is to administer state trust land holdings for the maximum benefit of the trust receipts. On non-forested trust lands, the management may include agricultural, grazing, oil and gas, and mining leases. On trust forest land, the department management includes reforestation, disease control, timber sales, and fire protection. Additional responsibilities of the department include forest fire protection for private forest lands, and administration of the state's reclamation laws, and certain other mining laws and regulations.

Budget: The department's number of FTE increases by 31.19 in fiscal 1990 and by 38.96 in fiscal 1991. The increases are caused by adjustments and program expansions in fiscal 1989 and by program expansions in the 1991 biennium. There are four adjustments which cause a net increase of 6.15 FTE in fiscal 1989. First, the department eliminated 2.00 FTE in fiscal 1989 as directed by the legislature in consolidating the department's centralized services. Second, 1.50 FTE were added because the IRS required contract pilots to become state employees. Third, 7.15 FTE were added in

fiscal 1989 when the state took over the fire protection of the third block of previously federally protected lands. Fourth, a 0.50 FTE forestry worker which was vacant in fiscal 1989 was eliminated.

The remaining FTE increases are caused by program expansions. Table 1 details the program expansions and the FTE increase by fiscal year.

Table 1
Program Expansion FTE

Program/Expansion	Fiscal 1990	Fiscal 1991
Superfund/Hazardous Waste	1.00	1.00
Abandoned Mine In-House	4.00	4.00
Small Mining Operations	2.00	2.00
Mineral Accountant	1.00	1.00
Geologist	1.00	1.00
Oil & Gas Leases	0.50	1.00
Block 4	6.62	12.25
Hazard Reduction	2.81	2.81
Wildlife Support	1.00	1.00
Water Quality	2.00	2.00
Wildlife Seedlings	0.50	0.50
Prescribed Burn	1.00	1.00
Co-op Fire	0.50	1.00
Forest Practices	1.11	2.25
Total FTE	25.04	32.81

The 9.6 percent increase in personal services reflects four major changes: 1) included in fiscal 1988 is $657,071 of fire supplemental personal services costs which have been removed from the 1991 biennium appropriation; 2) program expansions increase personal services by $500,100 in fiscal 1990; 3) no vacancy savings has been applied to the budget which increases the budget by approximately $297,000 in fiscal 1990; and 4) the pay plan added $286,464 in fiscal 1990 and $607,777 in fiscal 1991. Other changes which increased personal services include: 1) fully funding all positions in the Reclamation Division; and 2) continued funding of the 7.15 FTE added in fiscal 1989 when the state assumed responsibility for Block 3.

The 11.1 percent increase in operating expenses is primarily caused by the following changes: 1) $200,000 of biennial appropriation authority was granted to expend mining reclamation bond forfeitures, fines and penalties; 2) the environmental analysis appropriation was reappropriated at $500,000 per year, or a $355,955 per year increase over

fiscal 1988 expenditures; 3) consulting services for the federally funded Abandoned Mine Program were increased by $204,000 per year; and 4) Reclamation Division Program expansions increased operating expenses by $150,700 in fiscal 1990 and $60,900 in fiscal 1991.

The operating expenses in the Forestry Division decreased from fiscal 1988 expenditures by $184,849 in fiscal 1990 and $331,753 in fiscal 1991. The major changes in the Forestry Division's operating expenses include: 1) the removal of $663,821 of fire supplemental costs; 2) an increase of $427,492 in fiscal 1990 and $431,017 in fiscal 1991 for brush removal and timber stand improvement program expansions; and 3) other program expansions which increase the budget by $96,623 in fiscal 1990 and $87,896 in fiscal 1991. Table 8 details all the operating expense changes in the Forestry Division.

The 63.8 percent increase in equipment reflects the restoration of Forestry Division equipment. In fiscal years 1986 through 1988, the Forestry Division's equipment budget was reduced because of general fund reductions. The legislature restored the equipment to pre-fiscal 1986 levels.

The 135.5 percent increase in non-operating costs reflects the increase in the federally funded Abandoned Mine Program. Because the program is scheduled to terminate in fiscal 1992, the legislature appropriated all the remaining spending authority available.

Funding: The 0.6 percent increase in general fund reflects the removal of the general fund forest fire supplemental costs and the inclusion of general fund program expansions. The 108.5 percent increase in state special revenue reflects program expansions, the funding of environmental analyses, and the reclassification of private landowner assessments from federal revenue to state special revenue.

The 34.4 percent increase in federal funding reflects the increase in the Abandoned Mine Program.

The 30.8 percent increase in proprietary fund reflects increases in the department's aviation program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS — PROGRAM: CENTRAL MANAGEMENT DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	21.00	32.50	32.50	0.00	32.50	32.50	0.00	11.50
Personal Services	$ 586,484	$ 902,417	$ 950,083	$ 47,666	$ 905,644	$ 985,776	$ 80,132	62.00
Operating Expenses	589,535	652,842	620,566	(32,276)	637,231	591,684	(45,547)	5.26
Equipment	30,440	27,140	27,140	0	21,000	21,000	0	(10.84)
Non-Operating	265,000	265,000	265,000	0	265,000	265,000	0	0.00
TOTAL EXPENSES	$1,471,459	$1,847,399	$1,862,789	$ 15,390	$1,828,875	$1,863,460	$ 34,585	26.59
FUNDING								
General Fund	$1,058,191	$1,354,116	$1,384,117	$ 30,001	$1,338,288	$1,381,531	$ 43,243	30.80
State Special Rev	188,359	188,233	171,500	(16,733)	185,357	171,500	(13,857)	(8.95)
Federal Revenue	88,217	121,526	123,627	2,101	121,526	125,890	4,364	40.14
Proprietary Fund	136,692	183,524	183,545	21	183,704	184,539	835	34.28
TOTAL FUNDING	$1,471,459	$1,847,399	$1,862,789	$ 15,390	$1,828,875	$1,863,460	$ 34,585	26.59

Program Description: The Central Management Division is responsible for performing the overall administrative services for the department. These services include revenue collection and distribution, budgeting, accounting, aviation operations, trust record maintenance, personnel, and data processing. The department's legal section and reception services for the Helena office are included in this division.

Legislative Intent: Language is added to the appropriations bill which requires that the $11,000 per year added for the travel costs of the division's oil and gas auditor not be included in the 1993 biennium budget base.

Budget: The 11.50 FTE increase from fiscal 1988 to fiscal 1990 reflects the following adjustments. First, 10.50 FTE from the Forestry Division were transferred to the Central Management Division in response to the legislative directive to consolidate administrative functions. In directing the department to consolidate administrative functions, the 1987 legislature also directed that 2.00 administrative FTE be eliminated in fiscal 1989. In response, the Central Management Division eliminated 0.50 FTE and the Forestry Division eliminated 1.50 FTE. Second, the department added 1.50 FTE because the IRS requires that contract pilots be state employees.

The personal services budget increases by 62.0 percent. The increase is caused primarily by the transfer of the 10.50 FTE and approximately $264,700 per year of general fund from the Forestry Division. Also, the transfer of contract service expenditures to personal services for the 1.50 pilot positions increases personal services by approximately $35,300 per year.

Operating expenses increase 5.3 percent over the fiscal 1988 expenditure level. The changes include: 1) a reduction of $12,371 in fiscal 1990 and $9,637 in 1991 in insurance costs; 2) an increase of $5,993 in fiscal 1990 for audit costs which is a biennial appropriation; therefore, in fiscal 1991, a $29,980 reduction occurs; 3) a $3,600 per year increase in microfiche production from the Department of Administration which reflects the use and implementation of the trust management system and the computer-generated reports; 4) a $5,302 per year increase in computer costs for SBAS; 5) a $7,174 per year increase in fuel for the state aircraft, which reflects a three-year average of fuel costs; 6) a $1,580 increase in rent in fiscal 1990 and a $1,980 increase in fiscal 1991; 7) a $36,470 per year increase in aircraft maintenance costs; 8) a reduction of $1,124 in fiscal 1990 and $986 in 1991 for payroll service fees; 9) a reduction in computer processing charges of $16,214 in 1990 and $22,520 in fiscal 1991 which reflects lower charged rates for the same level of service; 10) the elimination of the $11,095 per year one-time expenditure to maintain the Twin Bridges facility which was sold by the state in fiscal 1988; 11) an $11,000 per year increase for travel costs associated with the audit of oil and gas lease and royalty payments; and 12) a $2,800 per year general fund increase in hangar rental costs.

The equipment amount includes $2,640 in fiscal 1990 for office equipment, $21,000 each year of the biennium for computer equipment, and $3,500 in fiscal 1990 for a personal computer for air operations. Air operations proprietary funds finance the personal computer.

Non-operating expenses include $265,000 appropriated for state lands equalization payments.

Program Expansions:

Included in the division's budget is funding to develop additional business functions of the Trust Land Management System. The department had requested $150,000 for the biennium to develop four new functions: Land Evaluation; Land Inventory; Development; and Land Classification. Because of funding constraints the legislature appropriated $111,000 for new systems development and left it to the department's discretion as to which functions would be developed.

Funding: Table 2 details the four components of the Central Management Division and the funding of each component for the 1991 biennium.

Table 2
Central Management Division - Program Funding

Fiscal 1990	General Fund	Resource Development Fund	Federal Indirect	Air Operation	Total
Central Management	$ 955,270	$ 5,500	$123,627	$ -0-	$1,084,397
Trust Land Management System	-0-	166,000	-0-	-0-	166,000
Aviation Program	163,847	-0-	-0-	183,545	347,392
State Land Equalization Pmts.	265,000	-0-	-0-	-0-	265,000
Total	$1,384,117	$171,500	$123,627	$183,545	$1,862,789
Fiscal 1991					
Central Management	$ 948,529	$ 5,500	$125,890	$ -0-	$1,079,919
Trust Land Management System	-0-	166,000	-0-	-0-	166,000
Aviation Program	168,002	-0-	-0-	184,539	352,541
State Land Equalization Pmts.	265,000	-0-	-0-	-0-	265,000
Total	$1,381,531	$171,500	$125,890	$184,539	$1,863,460

The resource development fund, which receives 2.5 percent of the income generated by state trust fund lands, finances the trust land management system and $5,500 per year of oil and gas auditor travel. The resource development fund is projected to earn approximately $405,000 per year. An analysis of this account is presented in Table 7.

Proprietary funds, which are revenues from aircraft user charges, finance the aviation program's direct costs, such as fuel and maintenance. General fund finances the fixed costs, such as pilot's salary, insurance, hangar space, and utilities.

The 30.8 percent increase in general fund primarily reflects the transfer of $264,700 per year for administrative positions from the Forestry Division to Central Management Division, the elimination of vacancy savings, and the pay plan. The pay plan added $27,233 general fund in fiscal 1990 and $56,552 in fiscal 1991. The remaining general fund increase is primarily caused by operating expense changes.

Difference from Executive: The use of a zero percent vacancy savings factor adds $17,500 per year, while the pay plan adds $30,104 in fiscal 1990 and $62,507 in fiscal 1991 to the executive recommendation.

The difference in operating expenses primarily reflects three differences: 1) the Trust Land Management System was appropriated $22,200 in fiscal 1990 and $19,400 in fiscal 1991 less than the executive recommended; 2) the legislature did not approve $15,900 general fund in fiscal 1991 for rental on additional space; and 3) the legislature did not approve $4,500 per year general fund for surveyors and abstractors to perfect title on non-trust lands.

The legislature changed the funding of the oil and gas auditor's travel from 100 percent general fund to 50 percent general fund and 50 percent resource development funds. This change reduced general fund by $5,500 per year.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS

PROGRAM: RECLAMATION DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	35.00	40.00	42.00	2.00	40.00	42.00	2.00	7.00
Personal Services	$ 893,974	$ 1,136,371	$ 1,248,743	$112,372	$1,138,549	$ 1,291,218	$152,669	39.68
Operating Expenses	3,083,272	3,856,476	3,965,283	108,807	3,677,862	3,686,639	8,777	28.61
Equipment	97,374	152,918	160,918	8,000	81,357	81,357	0	65.26
Non-Operating	2,026,743	5,000,000	5,000,000	0	5,000,000	5,000,000	0	146.70
TOTAL EXPENSES	$6,101,363	$10,145,765	$10,374,944	$229,179	$9,897,768	$10,059,214	$161,446	70.04
FUNDING								
General Fund	$ 82,795	$ 242,971	$ 312,876	$ 69,905	$ 245,864	$ 315,561	$ 69,697	277.89
State Special Rev	734,476	1,200,000	1,312,358	112,358	1,100,000	1,124,507	24,507	78.68
Federal Revenue	5,284,092	8,702,794	8,749,710	46,916	8,551,904	8,619,146	67,242	65.59
TOTAL FUNDING	$6,101,363	$10,145,765	$10,374,944	$229,179	$9,897,768	$10,059,214	$161,446	70.04

Program Description: The Reclamation Division is responsible for the regulation of all mining-related disturbances in the state. The Reclamation Division includes the Abandoned Mine Reclamation Bureau, the Coal and Uranium Bureau, the Open Cut Bureau, and the Hardrock Mining Bureau. The Abandoned Mine Reclamation Bureau is responsible for abandoned mine reclamation, site inventory, reclamation project design, project administration, reclamation contracts, and technical assistance. The Coal and Uranium Bureau is responsible for the Federal Surface Mining Control and Reclamation Act and the Montana Strip and Underground Mine Siting and Reclamation Acts. The bureau reviews prospecting and mining applications for coal and uranium and issues permits for both. The bureau is also responsible for reclamation of coal and uranium mining operations, including site evaluations, and bond release inspections.

The Hardrock Mining Bureau is responsible for administering the Montana Metal Mines Reclamation Act. The bureau issues mine and exploration permits, licenses and exclusions, and reviews reclamation plans. The bureau also conducts mine and bond release inspections and monitors water quality.

Legislative Intent: Language is added to the bill that identifies the following items as one-time appropriations that are not to be included in the 1993 biennium current level budget request: 1) $7,500 in fiscal 1990 and $4,500 in fiscal

1991 for printing of Coal and Uranium Bureau rules; 2) $2,000 per year in the Hardrock Bureau for printing of rules; and 3) $2,050 per year in the Hardrock Bureau for specialized inspection supplies.

Budget: The personal services budget increases by 39.7 percent. In fiscal 1988, the division experienced a 10 percent vacancy rate. A majority of the vacant positions were in the Coal and Uranium Bureau which experienced 22.5 percent vacancy savings. In analyzing the vacancy rate at the beginning of fiscal 1989, all of the positions were filled. Therefore, personal services contains full funding for all 35.00 FTE, plus the inclusion of 7.00 FTE in program expansions.

The operating expenses for the division increase 28.6 percent from fiscal 1988 expenditures. Table 3 lists the 18 specific adjustments which result in an increase in operating expenses.

Table 3
Reclamation Division
Operating Expense Increases Over Fiscal 1988

Changes	Fiscal 1990	Fiscal 1991
1. Bond Forfeitures	$ 100,000	$ -0-
2. Reclaim Mines	100,000	-0-
3. Environmental Analyses	355,955	355,955
4. Insurance	(6,979)	(6,309)
5. Budget Amendments	(101,089)	(101,089)
6. Abandoned Mine Consultant	204,000	204,000
7. Legal Costs	4,500	4,500
8. Tech Evaluation	35,000	35,000
9. Rules	8,500	4,200
10. Intern	5,070	5,070
11. Travel	7,500	7,500
12. Gasoline	3,500	3,500
13. Air Rent	2,700	2,700
14. System Development	3,500	14,000
15. Inspection Supplies	3,100	3,100
16. Professional Consultant	2,750	2,750
17. Inflation and Other Changes	1,931	5,144
18. Program Expansions	152,073	63,346
Total	$ 882,011	$ 603,367

Change 1 reflects two $50,000 biennial appropriations added to expend forfeited bond proceeds for reclamation of hardrock and open cut mining sites. Change 2 is a $100,000 biennial appropriation of fines, fees, and penalties to reclaim mine sites if the bond proceeds are not sufficient to reclaim the sites. Change 3 is $355,955 per year added for environmental analyses bringing the total amount appropriated for environmental analyses each fiscal year to $500,000. If the department determines that a proposed mining project needs an environmental impact statement (EIS), the entity proposing the project is required to reimburse the department the cost of the EIS. Because it is not possible to estimate the cost of an EIS, the legislature has been appropriating $500,000 per year for any potential EIS's. The practice is continued in the 1991 biennium budget. Change 4 is insurance costs reduced $6,979 in fiscal 1990 and $6,309 in 1991. Change 5 is expenditures totaling $101,089 for fiscal 1988 budget amendments that are not included in the 1991 biennium budget. Change 6 reflects $204,000 of abandoned mine engineering consultant studies which were transferred from non-operating to operating expenses. Change 7 is $4,500 per year for potential legal costs in the Hardrock, and Coal and Uranium bureaus. Change 8 is $35,000 per year for the Hardrock Bureau to hire specialized consultants to assist the staff in preparing technical evaluations. Change 9 is for an additional $8,500 in fiscal 1990 and $4,200 in fiscal 1991 to print and record rules. Change 10 is $5,070 per year for a student intern to work with the Open Cut Bureau. The intern will examine open pit mines which have requested confirmation of reclamation work to allow the release of their reclamation bond. Change 11 reflects a $7,500 per year increase in funds for travel: 1) because in fiscal 1988, there was a significant number of vacant positions which reduced travel; and 2) to allow the bureau chief to represent Montana at future federal reclamation rule-making sessions.

Change 12 for $3,500 per year of gasoline is associated with additional state vehicles appropriated so the staff would no longer have to use private vehicles. Change 13 represents an additional $2,700 per year for aircraft rental. The increase will allow the staff to inspect more reclamation and mining sites. Change 14 is $3,500 in fiscal 1990 and $14,000 in fiscal 1991 to develop automated mine application and permit systems in the Hardrock and Open Cut Bureaus.

Change 15 is $3,500 per year for one-time inspection supplies. Change 16 is $2,750 per year for professional consultants for specialized mine permitting problems or for expert testimony on various mine permit appeals. Change 17 reflects inflationary changes and other minor adjustments of $1,931 in fiscal 1990 and $5,144 in fiscal 1991. Change 18 reflects increases in operating expenses of $152,073 in fiscal 1990 and $63,346 in fiscal 1991 associated with the five program expansions.

The equipment budget includes funds to purchase five vehicles in fiscal 1990 and four vehicles in fiscal 1991. The budget also includes funds to purchase and enhance the capabilities of existing personal computers in each fiscal year.

The non-operating expenditures are for abandoned mine construction activities. The amount reflects the department's estimate of the federal funds which will be available in the 1991 biennium. Because the congressional authorization for reclaiming abandoned mines sunsets in 1992, the department is proposing that they commit as much federal funds as possible before the federal funds sunset.

Program Expansions:

Table 4 contains the five program expansions approved for the Reclamation Division.

Table 4
Reclamation Division Program Expansions

Program Expansions	Fiscal 1990 FTE	Fiscal 1990 General Fund	Fiscal 1990 Total	Fiscal 1991 FTE	Fiscal 1991 General Fund	Fiscal 1991 Total
1. Superfund/Hazardous Waste Liaison	1.00	$ -0-	$ 31,940	1.00	$ -0-	$ 31,203
2. Abandoned Mine	4.00	-0-	203,405	4.00	-0-	149,248
3. Coal Mining Study	0.00	-0-	90,000	0.00	-0-	-0-
4. Mining Explosions Mitigation (HB274)	0.00	18,360	18,360	0.00	10,610	10,610
5. Small Mine Rec. & Cyanide Leach Monitoring (HB679 & HB680)	2.00	55,563	55,563	2.00	55,580	55,580
Total	7.00	$73,923	$399,268	7.00	$66,190	$246,641

1. The superfund/hazardous waste liaison program expansion would coordinate functions among the various state and federal environmental and mine permitting laws.

2. The abandoned mine program expansion is a reorganization project designed to save about $100,000 annually. By creating state positions, the department estimates it can save $100,000 annually in consulting services.

3. The coal mining study program expansion continues federal pass-through grants being used to study the hydrological effects of coal mining.

4. The mining explosion mitigation program expansion provides for a consultant to investigate complaints concerning the use of explosives associated with hardrock mining activities. This expansion results from the passage of House Bill 274.

5. The small mine reclamation and cyanide leach monitoring program expansion provides funding and staff to inspect the reclamation of smaller hardrock mines, and to inspect the use of cyanide leaching processes by smaller hardrock mines. This expansion results from the passage of House Bill 679 and House Bill 680.

Funding: The Reclamation Division contains five programs. Table 5 details the funding for each of the programs.

Table 5
Reclamation Division Funding by Program

Fiscal 1990	General Fund	Reclamation Development	Hardrock Fund	Bond Forfeiture	DSL EIS	Federal	Total
Administration	$ 1,458	$ 62,190	$ -0-	$ -0-	$ -0-	$ -0-	$ 63,648
Hardrock	237,131	270,983	100,000	50,000	-0-	32,786	690,900
Envir. & Analysis Bur.	-0-	-0-	-0-	-0-	500,000	-0-	500,000
Abandoned Mine	-0-	-0-	-0-	-0-	-0-	8,071,393	8,071,393
Open Cut	74,287	69,500	-0-	50,000	-0-	-0-	193,787
Coal and Uranium	-0-	209,685	-0-	-0-	-0-	645,531	855,216
Total FY90 Funding	$312,876	$612,358	$100,000	$100,000	$500,000	$8,749,710	$10,374,944
Fiscal 1991							
Administration	$ 3,003	$ 58,520	$ -0-	$ -0-	$ -0-	$ -0-	$ 61,523
Hardrock	235,188	279,548	-0-	-0-	-0-	32,957	547,693
Envir. & Analysis Bur.	-0-	-0-	-0-	-0-	500,000	-0-	500,000
Abandoned Mines	-0-	-0-	-0-	-0-	-0-	8,012,499	8,012,499
Open Cut	77,370	69,500	-0-	-0-	-0-	-0-	146,870
Coal and Uranium	-0-	216,939	-0-	-0-	-0-	573,690	790,629
Total FY91 Funding	$315,561	$624,507	$ -0-	$ -0-	$500,000	$8,619,146	$10,059,214

The hardrock fund receives its revenue from mining fees, fines, and penalties. The Department of State Lands environmental impact statement fund receives its revenue from industries who propose projects which need a state environmental impact statement. The industries are charged for the cost of producing the impact statement. The federal funds come from the U.S. Interior Department for abandoned mine reclamation and regulation of coal mining.

In the 1991 biennium, $1,236,865 of Reclamation and Development Account funds are used to finance the division's programs.

The 277.9 percent increase in general fund is caused by the following factors. First, the ratio of state funding to federal funding has changed in the Coal and Uranium Bureau. The federal office of Surface Mining Reclamation and Enforcement will provide 100 percent of the funds necessary for regulation of mines located on federal lands and 50 percent of the funds for regulation of mining activities off federal lands. Because there has been increased activity on other than federal lands, the funding mix for the bureau has switched from 82.26 percent federally funded in fiscal 1988

to 70 percent in the 1991 biennium. There are two expenditure items in the Coal and Uranium Bureau which are 100 percent federally funded. Those items are the $15,000 per year appropriated for the Montana State Library-Natural Resources Inventory System, and $50,099 per year of indirect costs. Second, program expansions added $74,000 of general fund in fiscal 1990. Third, the legislature limited the amount of Reclamation and Development Account funds used for administrative purposes to $1,236,835, and therefore some inflationary increases were absorbed by the general fund.

Other Legislation:

House Bill 274 authorizes the department to investigate complaints and order changes or other appropriate mitigation concerning the use of explosives associated with hard-rock mining. The costs associated with implementing this bill are included in program expansion number 4.

House Bill 679 requires small miners who have placer or dredge mining operations to reclaim lands disturbed by the operation and to post a performance bond equal to the state's actual cost of reclaiming the disturbed lands. The costs of implementing House Bill 679 are included in program expansion number 5.

House Bill 680 requires a hardrock miner who is using a cyanide ore-processing reagent to obtain an operating permit for the area where the cyanide is used or disposed. The costs of implementing House Bill 680 are included in program expansion number 5.

Difference From Executive: House Bills 274, 679, and 680 add 2.00 FTE and $73,900 in fiscal 1990 and $66,200 in fiscal 1991.

The use of a zero percent vacancy savings factor adds $20,600 per year while the pay plan adds $37,303 in fiscal 1990 and $77,170 in fiscal 1991 to the executive recommendation.

Two biennial $50,000 appropriations of bond forfeiture funds to clean-up abandoned mining sites add $100,000 to fiscal 1990 operating expenses.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS — PROGRAM: LAND ADMINISTRATION DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	18.62	20.62	21.12	0.50	20.62	21.62	1.00	2.50
Personal Services	$443,914	$489,908	$530,223	$40,315	$490,933	$563,781	$72,848	19.44
Operating Expenses	84,387	131,030	124,771	(6,259)	131,383	126,874	(4,509)	47.86
Equipment	16,207	56,295	71,295	15,000	18,500	18,500	0	339.90
TOTAL EXPENSES	$544,508	$677,233	$726,289	$49,056	$640,816	$709,155	$68,339	33.38
FUNDING								
General Fund	$544,508	$677,233	$726,289	$49,056	$640,816	$709,155	$68,339	33.38

Program Description: The Land Administration Division is responsible for appraisal, supervision, management, and development of non-forest trust lands. The division is responsible for insuring that returns on the use of trust lands are maximized without adversely affecting the land resource. Proceeds from surface and mineral resource leases are distributed to public schools and other endowment funds. The division consists of the following bureaus and section: 1) Resource Development Bureau; 2) Land Management Bureau; 3) Surface Leasing Bureau; 4) Mineral Leasing Bureau; and 5) Geology Section.

Budget: The 19.4 percent increase in personal services reflects a 0 percent vacancy savings factor which was applied to the division, and the addition of 2.50 FTE in fiscal 1990 and 3.00 FTE in fiscal 1991 in the program expansions. The major changes in operating expenses were: 1) a $1,376 per year increase in computer operating costs to implement the trust land management system; 2) an $18,617 per year increase for noxious weed control; 3) a $4,786 per year increase for area office rent; and 4) a $5,400 per year increase in dedicated phone lines to the area offices.

The equipment budget allows purchase of two trucks for $27,500 in fiscal 1990 and one truck at $14,500 in fiscal 1991. Also included is $4,000 per year for computer equipment. The remaining equipment increases are caused by the program expansions.

Program Expansions:

Table 6 lists the three program expansions approved for the Land Administration Division.

Table 6
Land Administration Division Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General Fund	Total	FTE	General Fund	Total
1. Mineral Accountant	1.00	$ 27,538	$ 27,538	1.00	$23,291	$23,291
2. Geologist	1.00	51,043	51,043	1.00	30,596	30,596
3. Oil & Gas Lease Changes (HB133)	0.50	29,250	29,250	1.00	28,500	28,500
Total	2.50	$107,831	$107,831	3.00	$82,387	$82,387

1. The mineral accountant program expansion is to enable review of current production and reporting information being submitted by producing oil and gas and mining leases in order to ensure that the trust is receiving the correct royalties due.

2. The geologist program expansion is for an additional geologist to help inspect producing leases, conduct field evaluations which follow-up on royalty audits, and assist with metalliferous mineral evaluations, land exchange proposals, land ownership questions in navigable rivers, and technical testimony.

3. The oil and gas lease changes program expansion results from the passage of House Bill 133. House Bill 133 revises the terms of state oil and gas leases, including payment of rentals, delay drilling penalties, and compensatory royalties.

Funding: This program is funded entirely by general fund.

Other Legislation:

House Bill 133 changes two portions of the state's statutes on trust lands oil and gas leases. First, the bill would halt rental payments on producing oil and gas wells. Instead of paying rental payments, oil and gas companies will be responsible for reclaiming the drilling site. The state will lose approximately $270,000 per year in rental payments, but the drilling sites will be reclaimed which will make trust lands more productive for other types of revenue earnings.

Second, the bill requires the state to refund delayed drilling penalties in any year in which drilling commences. Until now, when the state leases an oil and gas drilling site, the lessee has 10 years to develop the site. If no drilling activity takes place within 5 years, the state charges a delayed drilling penalty, which amounts to a doubling of the rental rate. The rental rate and the delayed drilling penalty are paid at the beginning of the year. This bill requires the state to refund the delayed drilling penalty portion if a company begins drilling in mid-year.

The costs of implementing this bill are identified as program expansion number 3.

Senate Bill 176 imposes a $25 penalty for late payment of trust agricultural and grazing lease payments. The bill will earn an estimated $12,500 of income for the various land trusts.

Senate Bill 91 provides for the sale of state lands comprising leased cabin or home sites, or city or town lots upon request of the lessees. No additional appropriation authority was included in House Bill 100 to implement this bill, even though the bill's fiscal note estimated a cost of $108,500 for the biennium. The potential sale of trust lands would, in the short run, reduce the rental income the trust's would receive. But the sales proceeds would be invested and instead of receiving rental income, the trusts would be receiving interest income.

Senate Bill 226: This bill requires the State Land Board to value cabin site leases and licenses at 3.5 percent of the value determined by the Department of Revenue, or $150 which ever is greater. This bill will increase the rental income earned by the state's trusts, which in turn will provide additional financial support for the trust recipients.

Difference From Executive: House Bill 133 adds a 0.50 FTE and $29,250 in fiscal 1990 and $28,500 in fiscal 1991.

The use of a zero percent vacancy savings factor adds $9,100 per year, while the pay plan adds $17,817 in fiscal 1990 and $37,829 in fiscal 1991 to the executive recommendation.

The difference in operating expenses reflects $9,100 general fund less per year for new aerial photos of state-owned land for the regional offices.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS — PROGRAM: RESOURCE DEVELOPMENT PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	0.00
Personal Services	$193,601	$196,544	$206,713	$10,169	$196,949	$213,779	$16,830	6.77
Operating Expenses	35,245	35,433	35,433	0	36,103	36,105	2	0.53
Equipment	0	3,500	3,500	0	600	600	0	0.00
Non-Operating	5,749	45,000	45,000	0	45,000	45,000	0	682.74
TOTAL EXPENSES	$234,595	$280,477	$290,646	$10,169	$278,652	$295,484	$16,832	23.89
FUNDING								
State Special Rev	$234,595	$280,477	$290,646	$10,169	$278,652	$295,484	$16,832	23.89

Program Description: The Resource Development Division carries out land development projects to increase revenue and to improve or preserve the value of the land. This responsibility is in accordance with the policy delineated in Section 77-1-601, MCA, which states:

> It is in the best interest and to great advantage of the State of Montana to seek the highest development of state-owned lands in order that they might be placed to their highest and best use and thereby derive greater revenue for the support of the common schools, the university system, and other institutions benefiting therefrom . . .

Budget: The 6.8 percent increase in personal services reflects vacancy savings that occurred in fiscal 1988.

The non-operating expenditure reflects capital outlay appropriations for capital improvements on trust lands. The $45,000 per year reflects the department's request.

Funding: Funding for resource development projects is from the resource development account which derives its income from trust lands. By statute, the State Land Board can allocate up to 2.5 percent of trust land income to the Resource Development Account. For the 1991 biennium, 2.5 percent is allocated. Table 7 is an analysis of the revenues and appropriations for the 1991 biennium of the Resource Development Account.

Table 7
Resource Development Account Analysis

	Fiscal 1990	Fiscal 1991
Beginning Fund Balance	$179,741	$ 86,399
Revenues		
Projected Income	395,500	395,500
Interest Income	10,000	10,000
Total Revenue	$405,500	$405,500
Total Funds Available	$585,241	$491,899
Appropriations		
Trust Management System	$166,000	$166,000
Resource Development	290,646	295,484
Department of Revenue	36,696	37,623
Auditor Travel	5,500	5,500
Total Appropriations	$498,842	$504,607
Ending Fund Balance	$ 86,399	$(12,708)

Difference From Executive: The use of a zero percent vacancy savings factor adds $4,000 per year while the pay plan adds $6,158 in fiscal 1990 and $12,811 in fiscal 1991 to the executive recommendation.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS — PROGRAM: FORESTRY DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	216.11	226.88	226.30	(0.58)	233.01	233.57	0.56	10.19
Personal Services	$5,747,160	$5,384,697	$5,683,425	$ 298,728	$5,518,139	$6,065,313	$ 547,174	(1.11)
Operating Expenses	3,117,928	2,900,400	2,933,079	32,679	2,801,362	2,786,175	(15,187)	(5.93)
Equipment	442,184	589,229	697,286	108,057	392,813	490,522	97,709	57.69
Non-Operating	0	0	100,000	100,000	0	100,000	100,000	0.00
TOTAL EXPENSES	$9,307,272	$8,874,326	$9,413,790	$ 539,464	$8,712,314	$9,442,010	$ 729,696	1.14
FUNDING								
General Fund	$6,470,991	$5,338,028	$5,778,994	$ 440,966	$5,228,324	$5,818,179	$ 589,855	(10.69)
State Special Rev	1,135,286	1,886,256	3,005,359	1,119,103	1,847,367	3,002,526	1,155,159	164.72
Federal Revenue	1,697,386	1,650,042	629,437	(1,020,605)	1,636,623	621,305	(1,015,318)	(62.92)
Other Revenue	3,609	0	0	0	0	0	0	(100.00)
TOTAL FUNDING	$9,307,272	$8,874,326	$9,413,790	$ 539,464	$8,712,314	$9,442,010	$ 729,696	1.14

Program Description: The Forestry Division is responsible for: 1) surface management on all school trust land classified as forest; 2) fire suppression on all private and state land within forest fire districts and within counties as requested; and 3) provision of technical advice to private landowners, loggers, and mills as it pertains to maximizing returns from the forest resource.

Legislative Intent: Three one-time appropriations have language which indicates that the appropriations are one-time and are not to be included in the 1993 biennium budget base. The appropriations are $15,000 for completion of the fire protection assessment computer system, $11,838 for one-time computer processing supplies, and $28,800 for the lease/purchase of a photocopier. Language was added which specifies that $10,000 appropriated for "audit-timber sales" is to be used to coordinate and conduct, in consultation with the Environmental Quality Council, audits of the application and effectiveness of voluntary best management practices for timber sales.

The legislature added language which imposed the following conditions on the $100,000 per year appropriation for federal fire reimbursement. First, federal fire reimbursement only applies to federal funds. Second, federal fire

reimbursement expenditures must be reported on state accounting records,and the records must be separate from current level operations.

The legislature also added language to promote clarity among federal and state fire fighting units regarding policies for management of fires in special management areas and to thereby prevent unnecessary expenditure of state general fund.

Budget: The increase of 10.19 FTE is caused by: 1) the transfer of 10.50 FTE administrative support positions to the Central Management Division; 2) a reduction of 1.50 FTE administrative positions by consolidation of administrative support in the Central Management Division as mandated by the 1987 legislature; 3) the elimination of a 0.50 FTE forestry worker which was vacant in fiscal 1989; 4) an increase of 7.15 FTE for the assumption of the third block of forest fire protection; and 5) the addition of 15.54 FTE by budget modification in fiscal 1990, and 22.81 FTE in fiscal 1991.

The 1.1 percent reduction in personal services is caused primarily by four factors; 1) fiscal 1988 includes $657,071 of supplemental forest fire expenditures which are not carried forward in the 1991 biennium; 2) 10.50 FTE and $235,000 per year were transferred to the Central Management Division in the consolidation of support services; 3) eleven program expansions were added which included 15.54 FTE in fiscal 1990 and 22.81 FTE in fiscal 1991; and 4) the pay plan added $195,083 in fiscal 1990 and $417,111 in fiscal 1991.

Operating expenses were reduced by $184,849 in fiscal 1990 and by $331,753 in fiscal 1991 from the amount expended in fiscal 1988. Table 8 details the 22 adjustments which result in the operating expenses changes.

Table 8
Forestry Division Operating Expenses Changes
From Fiscal 1988 Expenditures

	Changes	FY 1990	FY 1991
1	Elimination of Fire Supplemental	$(663,821)	$(663,821)
2	Elimination of Budget Amendments	(2,470)	(2,470)
3	Blocks 3 & 4	(57,495)	(174,025)
4	Aircraft Repair Costs	(50,000)	(50,000)
5	Brush Removal	288,063	293,060
6	TSI Program	139,429	137,957
7	Reduction in Consulting Services	(14,500)	(14,500)
8	One-time Fire Suppression Services	(26,000)	(26,000)
9	Insurance Increase	3,300	3,500
10	Laboratory Testing Increase	9,500	9,500
11	Rural District Payments	7,650	7,650
12	Distribution of Fire Assessment	4,825	4,825
13	Contract Pilot Costs	(24,900)	(24,900)
14	Computer Processing Supplies	11,838	-0-
15	Photocopier Lease/Purchase	14,400	14,400
16	Computer Maintenance	10,000	10,000
17	Fire Assessment Computer System	15,000	-0-
18	Federal Pass-Through	14,900	14,900
19	Inflation	22,633	32,099
20	Program Expansions	94,799	86,072
21	Audit-Timber Sales	10,000	-0-
22	Forest Practices	8,000	10,000
	Total Changes	$(184,849)	$(331,753)

Changes 1 and 2 reflect the elimination of fire supplemental and budget amendment operating expenditures. Change 3 reflects the reductions in the payments to the U.S. Forest Service for fire protection. The reduction in fiscal 1990 reflects the state's takeover of Block 3, and the reduction in fiscal 1991 reflects the state's takeover of Blocks 3 and 4. These reductions are offset by increases as included in the Block 4 program expansion. Change 4 reflects a reduction in aircraft maintenance costs. Changes 5 and 6 reflect increases in the Brush Removal and Timber Stand Improvement Program as a result of increased timber harvest from state trust lands. Changes 7 and 8 reflect one-time reductions in consulting services and one-time fire suppression services. Changes 9 and 10 reflect increases in insurance and

laboratory testing costs. Change 11 reflects an increase in federal pass-through funding to rural fire districts. Change 12 reflects the full-year funding of fire assessment monies to the Bureau of Land Management. In fiscal 1988, the payment reflected only a partial payment. Change 13 reflects the elimination of contract pilot costs because all the pilots are required by IRS to become state employees. The funds for the contracted pilots were transferred to Central Management and were included as personal services adding 1.50 FTE. Change 14 reflects one-time computer processing supplies, and Change 15 is for the lease/purchase of a new photocopier. Change 16 reflects increased computer maintenance costs, and Change 17 is for the completion of a computer system to maintain the private landowner fire assessment payments. Change 18 is new federal funds which will be passed through to local governments and used for street and park tree improvements, community forest plans, and insect and disease surveys. Change 19 reflects inflationary increases. Change 20 reflects program expansions. Change 21 is for audit expenses related to evaluating the application and effectiveness of voluntary best management practices for timber sales. Change 22 is for operating expenses of implementing the Forest Practices Act.

The equipment budget includes funding to purchase approximately 18 to 20 new fire vehicles and other fire-related equipment. There are equipment funds for the Brush Removal Program to purchase $1,680 worth of chain saws each year, $4,000 to replace a 4x4 all-terrain vehicle, $13,000 to replace a 3/4-ton truck, and $4,500 for personal computer equipment. The Timber Stand Improvement Program equipment includes $8,200 for chain saws, $6,600 for a refrigeration unit, $5,000 for personal computers, and $13,000 to replace a 4x4 3/4-ton truck. The Other Forestry Services and Forest Management programs include funding for replacement mowers, replacement vehicles, and other shop equipment and computer equipment, and $11,000 in fiscal 1990 to purchase a vehicle for the administration of the Forest Practices Act.

The non-operating budget includes $100,000 of spending authority each year for the division to receive and expend federal funds. The division may receive federal funds if it loans personnel to federal agencies to assist in non-state fire fighting.

Program Expansions:

Table 9 contains the approved program expansions for the Forestry Division.

Table 9
Forestry Division Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General Fund	Total	FTE	General Fund	Total
1. Block 4 Assumption	6.62	$332,396	$ 332,396	12.25	$306,066	$ 306,066
2. Hazard Reduction	2.81	-0-	106,301	2.81	-0-	73,360
3. Wildlife Support	1.00	15,419	30,319	1.00	15,419	30,319
4. Water Quality	2.00	-0-	48,904	2.00	-0-	48,905
5. Wildlife Seedings	0.50	-0-	25,000	0.50	-0-	25,000
6. Prescribe Burn	1.00	-0-	43,007	1.00	-0-	27,505
7. Coop. Fire Program	0.50	64,761	64,761	1.00	64,521	64,521
8. Brush Removal Expansion	0.00	-0-	288,063	0.00	-0-	293,060
9. TSI Program Expansion	0.00	-0-	139,429	0.00	-0-	137,957
10. Federal Fire Reimbursement	0.00	-0-	100,000	0.00	-0-	100,000
11. Forest Practices Act	1.11	42,763	42,763	2.25	57,524	57,524
Total Program Expansions	15.54	$455,339	$1,220,943	22.81	$443,530	$1,164,217

1. The Block 4 fire protection provides funding for the state to assume 672,822 acres from the U.S. Forest Service for fire protection. The expansion adds 6.62 FTE in fiscal 1990 and 12.25 FTE in fiscal 1991. The cost of the program expansion $332,396 general fund in fiscal 1990 and $306,066 in fiscal 1991. Since 1984, the state has taken over fire protection responsibilities on approximately 1,800,000 acres (this includes the 673,822 acres in Block 4). The fire protection acreage discrepancy which previously existed with the U.S. Forest Service has been reduced to less than 50,000 acres.

2. The hazard reduction program expansion adds 2.81 FTE to administer the state's timber slash and debris statutes. Because of increased dependence upon timber from private lands the legislature increased the personnel to administer the slash and debris statutes. House Bill 657 creates a $25 fee for each fire hazard reduction agreement, and the revenue from the fee will be used to fund this program expansion.

3. The wildlife support program expansion matches a like amount of funds from the Department of Fish, Wildlife, and Parks to hire a wildlife biologist to ensure that wildlife standards and legal responsibilities are met on state lands.

4. The water quality program expansion adds 1.00 FTE forest hydrologist and 1.00 FTE soils/hydrology technician to handle the increased workload in water quality and soils monitoring.

5. The wildlife seedlings program expansion provides trees and shrubs for the purpose of improving wildlife habitat on private lands through the federal Conservation Reserve Program (CRP). The Department of Fish, Wildlife, and Parks will purchase these trees and shrubs from the forestry nursery for planting on qualified private lands.

6. The prescribed burn program expansion implements an agriculture conservation program in conjunction with the Montana Agriculture Stabilization and Conservation Service (ASCS). The ASCS is considering a special Agriculture Conservation Program (ACP) prescribed fire range improvement practice. The department has been requested to provide the necessary technical assistance to carry out feasibility checks, prepare burn plans, monitor prescribed burns and to carry out some of the actual burns. Federal funds for technical assistance and practice cost-share funds would support the program. This is a two-year pilot program to be carried out in Madison, Beaverhead, Broadwater, Meagher, and Lewis and Clark counties. Language is included that this program expansion can be implemented only if the Forestry Division receives non-state funds.

7. The cooperative fire program expansion would expand the State-County Cooperative Fire Program to allow Deer Lodge, Flathead, and Ravalli counties to enter into cooperative fire agreements with the state.

8. The brush removal program expansion provides additional state special revenues for the rental of heavy machinery to remove fire hazards from timbered state lands. The increased workload has been caused by the expanded state timber sale program.

9. The TSI program expansion provides additional state special revenues for timber improvement activities such as thinning, planting, and other timber improvement activities. The increased workload has been caused by the expanded state timber sale program.

10. The federal fire reimbursement program expansion is spending authority for the department to use funds received from federal agencies in assisting in non-Montana fire suppression activities. The program expansion was approved to allow the department to meet expected timber harvest goals. In the past biennium, a portion of the appropriation authority authorized by the legislature for harvesting timber from state lands has been used to assist federal agencies to suppress forest fires. The state has been reimbursed for the expenses incurred in assisting federal agencies, and to date, all reimbursement has been deposited into the general fund. However, because the department has used a portion of its timber harvest spending authority on fire suppression, the timber harvest goals have not been achieved. This appropriation and accompanying language allows the department to expend up to $100,000 per year of funds reimbursed by federal agencies. Reimbursements for expenditures from operational appropriations which the legislature appropriates for management of state forests are the only funds reimbursed which can be allocated to the federal fire reimbursement account. All other federal reimbursements for forest fire suppression are to be deposited in the general fund.

11. The Forest Practices Act requires notification by a timber owner or operator prior to conducting forest practices on private land and also requires the Department of State Lands to mail receipt of notification and information on best management practices. Forest practices include timber sales planning, associated road construction, timber harvesting, site preparation, and related activities. The act also provides for on-site consultation between the department and the forest operator.

Funding: Table 10 details funding of the Forestry Division by program.

Table 10
Forestry Budget by Program
1991 Biennium

	General Fund	State Special	Landowner Assessment	Federal	Total
FISCAL 1990					
State Forest Management	$1,703,971	$ 15,305	$ -0-	$ 50,574	$1,769,850
Other Services	1,251,390	-0-	-0-	185,000	1,436,390
Forest Fire	2,559,624	-0-	1,125,685	384,880	4,070,189
Brush Removal	-0-	770,627	-0-	-0-	770,627
Timber Stand Improvements	-0-	702,245	-0-	-0-	702,245
Nursery	143,682	194,876	-0-	8,983	347,541
Private Slash Removal	120,327	196,621	-0-	-0-	316,948
Total Fiscal 1990 Funding	$5,778,994	$1,879,674	$1,125,685	$629,437	$9,413,790
FISCAL 1991					
State Forest Management	$1,743,908	$ 15,740	$ -0-	$ 52,369	$1,812,017
Other Services	1,253,957	-0-	-0-	173,929	1,427,886
Forest Fire	2,555,591	-0-	1,125,685	385,786	4,067,062
Brush Removal	-0-	786,229	-0-	-0-	786,229
Timber Stand Improvements	-0-	705,042	-0-	-0-	705,042
Nursery	139,924	200,083	-0-	9,221	349,228
Private Slash Removal	124,799	169,747	-0-	-0-	294,546
Total Fiscal 1991 Funding	$5,818,179	$1,876,841	$1,125,685	$621,305	$9,442,010

The brush and timber stand improvement revenues are generated from the sale of timber on state land. The price at which the state sells the timber includes $11 per thousand board feet (MBF) for the Timber Stand Improvement (TSI) Program and $11 per MBF for the Brush Removal Program. These net revenues are used to finance 100 percent of the TSI and Brush Removal programs.

The revenues for the nursery account are derived from the sale of nursery products.

The landowner assessment is a property tax assessment levied on private forest landowners for forest fire protection. By statute, the maximum assessment is 17 cents per acre with a minimum assessment of $14 per landowner. The Department of State Lands is statutorily required to collect up to one-third of the fire protection costs from private landowners. The past legislative practice has been to determine the one-third amount by taking the Forest Fire Bureau

appropriation and dividing it by three. In the 1991 biennium, the landowner assessment is financing less than one-third of the Forest Fire Bureau's appropriation. The $1,125,685 of landowner assessment revenues is based upon the maximum assessment allowed by statute. One-third of the Forest Fire Bureau's budget would be $1,356,700 in fiscal 1990 and $1,355,700 in fiscal 1991.

In fiscal 1988, the landowner assessment was categorized as a federal revenue. With the passage of Senate Bill 80, the assessment has been recategorized as a state special revenue fund. This change causes the 62.9 percent reduction in federal revenues and primarily causes the 164.7 percent increase in state special revenues.

Other Legislation:

House Bill 678 requires notification by an owner or operator prior to conducting forest practices on private lands. The bill also requires the department to conduct on-site consultation with the operator about the best approaches to harvesting timber while causing the least disturbance to the environment. The costs of implementing House Bill 678 are included in program expansion number 11.

House Bill 657 amends the statutes relating to the control of timber slash and debris on private lands. To finance the costs of implementing House Bill 657 a $25 fee will be assessed on each fire hazard reduction agreement the state issues. The costs of House Bill 657 are contained in program expansion number 2.

Difference From Executive: House Bill 678 adds 1.11 FTE and $42,800 in fiscal 1990 and 2.25 FTE and $57,500 in fiscal 1991. The legislature reduced 1.19 FTE and $20,000 per year in the Hazardous Reduction Program expansion and eliminated a 0.50 FTE and $7,600 per year for a position which was vacant in fiscal 1989.

The use of a zero percent vacancy savings factor adds $103,000 per year, while the pay plan adds $195,082 in fiscal 1990 and $417,711 in fiscal 1991 to the executive recommendation.

The differences in equipment reflect the legislature's acceptance of the division's request to restore the equipment budget to pre-fiscal 1985 levels. In recent fiscal years, the capital replacement budget has been reduced in this division because of general fund shortfall.

The differences in the non-operating budget reflect $100,000 of federal funds appropriated for the Federal Fire Reimbursement Program expansion.

The legislature reclassified $1,125,700 per year of private landowner fire protection revenues from a federal special revenue to a state special revenue. The reclassification accounts for a majority of the reduction in federal special revenues and the increase in state special revenues.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	544.64	525.22	534.26	9.04	526.47	537.42	10.95	(10.38)
Personal Services	$14,200,128	$14,261,023	$15,064,818	$ 803,795	$14,389,625	$15,656,511	$ 1,266,886	6.09
Operating Expenses	8,760,891	11,438,833	13,227,200	1,788,367	11,389,959	11,324,607	(65,352)	50.98
Equipment	1,514,588	2,017,324	1,972,096	(45,228)	1,540,582	1,488,935	(51,647)	30.21
Non-Operating	561,342	4,272,743	3,618,831	(653,912)	3,556,035	2,624,400	(931,635)	544.67
TOTAL EXPENSES	$25,036,949	$31,989,923	$33,882,945	$1,893,022	$30,876,201	$31,094,453	$ 218,252	35.33
FUNDING								
State Special Rev	$17,122,951	$20,337,143	$22,469,592	$2,132,449	$19,881,525	$20,564,800	$ 683,275	31.22
Federal Revenue	5,996,757	9,380,933	9,122,376	(258,557)	8,706,089	8,214,802	(491,287)	52.12
Proprietary Fund	1,917,241	2,271,847	2,290,977	19,130	2,288,587	2,314,851	26,264	19.49
TOTAL FUNDING	$25,036,949	$31,989,923	$33,882,945	$1,893,022	$30,876,201	$31,094,453	$ 218,252	35.33

Agency Description: The Department of Fish, Wildlife, and Parks is responsible for the preservation and protection of all forms of Montana's wildlife, their habitat, and the natural cultural resources of aesthetic, scenic, historic, scientific, and archaeological significance.

Legislative Intent: The legislature added two language sections which affect numerous department programs. First:

> The department is authorized to make a permanent loan from its state special revenue fund to its federal special revenue fund to provide adequate cash flow for federal programs that reimburse the department after expenditures are incurred and paid.

Because some federal programs operate on a cash reimbursement basis, the department is required to temporarily provide cash for these programs until reimbursement is forthcoming. This amendment would allow a permanent transfer of cash during the 1991 biennium for such programs, with the loaned funds to be returned to accounts from which the loan originated if a federal program were terminated. Second:

If the department receives private funds for the costs of the fisheries, wildlife, parks, or conservation education divisions, it may increase its state special revenue appropriation and decrease its federal revenue appropriation by like amounts to implement the provisions of Senate Bill 80.

This amendment will enable the department to comply with the change in the state fund structure as required in Senate Bill 80.

Budget: The 10.38 FTE reduction reflects: 1) the elimination of 42.45 FTE funded with legislative contract authority; 2) 0.11 FTE eliminated through program adjustments; 3) 0.36 FTE which were eliminated because they were vacant in fiscal 1989; and 4) 32.54 FTE added in program expansions in fiscal 1990 and 35.70 in fiscal 1991. Table 1 details the FTE in the program expansions.

Table 1
Program Expansions - FTE

	Fiscal 1990	Fiscal 1991
Field Services		
Block Management	3.30	3.30
Fishing and Boat Access	1.00	1.00
Microcomputer	1.00	1.00
Fisheries		
Fishing Survey	1.00	1.50
USFS Cooperation	1.00	1.25
Miles City Fish Hatchery	0.93	0.93
Evaluate Fish Populations	2.00	2.50
Fishing and Boat Access	0.75	0.75
Flathead Lake Fishery	0.50	0.50
Little Missouri Reservations	1.50	1.50
Paddlefish Roe	0.65	0.81
Law Enforcement		
Warden East Missoula/Rock Creek	1.00	1.00
All-Terrain Vehicle	1.50	3.00
Paddlefish Roe	0.25	0.25
Wildlife		
Nongame Program	0.60	0.60
Parks		
Redirection	2.70	2.70
Fee Sites	7.30	7.30
MT Conservation Corps	3.00	3.00
Fishing Access Sites	1.81	1.81
Conservation Education		
All-Terrain Vehicle	0.25	0.50
Shooting Ranges	0.50	0.50
Total FTE	32.54	35.70

The 6.1 percent increase in personal services reflects the changes in FTE as detailed in the previous paragraphs and the FTE added in program expansions detailed in Table 1.

The 51.0 percent increase in operating expenses is primarily caused by the following major adjustments: 1) a $234,166 increase in the department's insurance costs in fiscal 1990 and a $247,940 increase in fiscal 1991; 2) a $76,982 per year increase in helicopter maintenance and insurance; 3) a $56,000 per year increase in the Jocko Fish Hatchery's operating funds; 4) a $40,000 per year increase for wardens' travel; 5) a $68,000 per year increase for maintaining game ranges acquired in the 1989 biennium; 6) a $150,947 per year increase for Wildlife Division travel and aircraft rental; 7) $60,000 per year increase for higher helicopter rates; 8) $1,811,918 biennial increase in the Pheasant Habitat Program; 9) a $59,300 per year increase in snowmobile trail equipment repair and maintenance; 10) a $300,000 biennial appropriation for a feasibility study on Cherry Creek Dam; and 11) a $60,000 biennial appropriation for a water leasing study. The remaining increases in operating expenses are caused by program expansions.

The 30.2 percent increase in equipment is primarily caused by the $350,000 appropriation to replace a helicopter.

The 544.7 percent increase in non-operating costs reflects the following: 1) $2,287,500 of legislative contract authority; 2) a $700,000 biennial appropriation of federal Land and Water Conservation funds which will be used to make grants to local communities if federal funds become available; 3) $150,000 is appropriated for the biennium for grants to shooting ranges; and 4) a $20,000 per year increase in the grant to the Department of Livestock's Predator Control Program.

In several of the divisions' non-operating expenses budgets there will be an appropriation titled, "legislative contract authority" (LCA). A legislative contract authority appropriation is appropriation authority for future federal and private grants that the department may receive. During the biennium, the department will receive numerous federal and private grants. At the time the budget is developed, it is not possible to predict what grants will be made available. The LCA is the mechanism by which the department can accept and expend grants without having to go through the budget amendment process.

Funding: The state special revenue increase of 31.2 percent is primarily caused by an appropriation of $1.8 million for the Pheasant Habitat Program, and the department's other program expansions.

The main state special revenue fund which finances a majority of the department's programs is the hunting and fishing license account. Table 2 details a three-year cash flow analysis of the account and illustrates a decline in the fund balance from $7.8 million at the beginning of the fiscal year 1989 to $0.3 million by the end of the 1991 biennium.

Table 2
Department of Fish, Wildlife, and Parks General License Account
Fiscal Years 1989 through 1991

	Fiscal 1989	Fiscal 1990	Fiscal 1991
Beginning Fund Balance	$ 7,789,070	$ 4,688,592	$ 2,133,782
Projected License Income	15,130,300	15,064,000	14,885,000
Total Funds Available	$22,919,370	$19,752,592	$17,018,782
Disbursements			
FW&P Operations	$14,345,116	$16,052,451	$15,673,398
Pay Plan	0	299,075	623,692
Bond Payments (Lic. Act.)	520,349	713,899	453,900
Legislative Audit	24,917	47,042	0
Capital Projects	3,340,396	506,343	0
Total Disbursements	$18,230,778	$17,618,810	$16,750,990
Ending Fund Balance	$ 4,688,592	$ 2,133,782	$ 267,792

The 52.1 percent increase in federal funds is primarily caused by: 1) an increase in LCA in several department programs; 2) an increase of federal funds available for the Fisheries Division; 3) the $700,000 biennial appropriation in Parks Division of Land and Water Conservation funds; 4) the $140,000 biennial appropriation for shooting range improvements; and 5) $200,000 of federal funds in fiscal 1990 for Cherry Creek Dam feasibility study.

Other Legislation:

House Bill 120 sets non-resident fur dealer licenses equal to the amount a Montana resident would have to pay for a non-resident license in another state. For example, if it costs a Montanan $400 for a fur dealer's license in North Dakota and $50 for a dealer's license in Wyoming, then a resident from North Dakota would have to pay $400 for a non-resident license in Montana and a Wyoming resident would have to pay $50. It is estimated that the bill will increase the hunting and fishing license revenues by $200 per year.

House Bill 165 requires that owners of off-highway vehicles purchase annual decals for operation of their vehicles. There are approximately 25,000 off-highway vehicles used in Montana, and the Motor Vehicle Registration Bureau estimates that approximately 17,500 of the vehicles will be registered. The income from the decals will be $87,500 per year. Forty percent of the income is to be used for enforcement of the program, and after January 1, 1991, sixty

percent is to be used to develop and implement a comprehensive program and to plan appropriate off-highway vehicle recreation use. House Bill 100 contains three appropriations for House Bill 165 in the Law Enforcement, Parks, and the Conservation Education Divisions.

House Bill 174 establishes a lifetime resident fishing license for the blind. Prior to this bill, the annual cost of a fishing license for a blind individual was $2.00 per year. The bill makes available a lifetime license for $10.00. In fiscal 1990 the additional income from the lifetime licenses is estimated to be $525. Thereafter, the hunting and fishing account will lose approximately $200 per year.

House Bill 289 allows the donation of paddlefish roe to nonprofit corporations for use in caviar production. The costs of implementing this bill are identified in two program expansions; one in the Fisheries Division, and one in the Law Enforcement Division.

When the paddlefish roe are donated to nonprofit corporations, the Department of Fish, Wildlife, and Parks is to receive 50 percent of the net profits from the sales. The estimated income to the department from the increased roe sales is $1,800 per year. The $1,800 per year revenue compares with increased costs of $36,000 per year.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS — PROGRAM: MANAGEMENT SERVICES DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	39.60	40.20	40.20	0.00	40.20	40.20	0.00	0.60
Personal Services	$ 886,815	$1,001,611	$1,066,871	$65,260	$1,004,245	$1,107,626	$103,381	20.30
Operating Expenses	1,234,510	1,772,006	1,777,647	5,641	1,715,005	1,720,369	5,364	44.00
Equipment	622,471	1,047,954	1,049,077	1,123	690,372	690,629	257	68.53
Non-Operating	118,327	213,651	213,651	0	176,020	176,020	0	80.56
TOTAL EXPENSES	$2,862,123	$4,035,222	$4,107,246	$72,024	$3,585,642	$3,694,644	$109,002	43.50
FUNDING								
State Special Rev	$1,003,641	$1,794,639	$1,849,183	$54,544	$1,315,233	$1,395,757	$ 80,524	84.25
Federal Revenue	290,590	443,440	450,635	7,195	429,593	444,655	15,062	55.08
Proprietary Fund	1,567,892	1,797,143	1,807,428	10,285	1,840,816	1,854,232	13,416	15.28
TOTAL FUNDING	$2,862,123	$4,035,222	$4,107,246	$72,024	$3,585,642	$3,694,644	$109,002	43.50

Program Description: The Management Services Division is an administrative and support unit. The division is responsible for budgeting, property accounting, deposition of funds, personnel, payment of vendor invoices, payroll, and monitoring the finances of the department's vehicle fleet and warehouse operations. Also included within the division is the legal unit of the department.

Legislative Intent: Included in the division's budget is $350,000 to purchase a new helicopter. Also included in the budget is $40,000 per year for additional insurance costs associated with the helicopter and $36,987 per year for additional maintenance costs. The legislature included language which stated that if the department does not purchase a helicopter, the funds appropriated for insurance and maintenance are to revert at the end of the biennium.

Budget: The 0.60 FTE increase reflects two changes: 1) a 1.00 FTE managerial position was transferred in from the Administration Division; and 2) a 0.40 FTE was transferred to the Administration Division.

The $180,056 increase in personal services between fiscal 1988 expenditures and fiscal 1990 reflects: 1) $40,600 for three positions which were vacant a portion of fiscal 1988 but are now filled; 2) $3,000 for a position upgraded from a grade 16 to a grade 17; 3) $29,100 for three positions which were vacant a portion of fiscal 1988 and have yet to be filled; and 4) $33,000 for a personnel manager position created by other divisions transferring a portion of FTE to this

division. A zero percent vacancy savings factor has been applied which added $41,300 per year to the budget. The pay plan added $35,371 in fiscal 1990 and $73,548 in fiscal 1991.

The $543,137 increase in operating expenses reflects: 1) a $234,166 increase in insurance costs in fiscal 1990 and a $247,940 increase in fiscal 1991; 2) a $20,405 increase for biennial legislative audit costs; 3) an $11,398 per year increase for SBAS on-line entry costs; 4) a $7,600 per year increase for data processing supplies; 5) a $5,625 per year increase for building and grounds maintenance; 6) a $34,980 increase in fiscal 1990 and $31,970 in fiscal 1991 for statewide indirect costs; 7) a $6,900 increase in fiscal 1990 and $7,100 in fiscal 1991 for building rent; 8) a $5,500 per year increase for the printing of various department documents; 9) a $40,000 per year increase for insurance on a new helicopter; and 10) a $36,982 per year increase in maintenance costs for the new helicopter. Program expansions added an additional $110,500 in fiscal 1990 and $88,200 in fiscal 1991 to operating expenses.

The equipment budget includes: 1) $583,425 in fiscal 1990 and $523,764 in fiscal 1991 for vehicles; 2) $82,000 in fiscal 1991 for aircraft engine overhauls; 3) $46,776 in fiscal 1990 and $2,735 in fiscal 1991 for computer equipment; and 4) $350,000 in fiscal 1990 for the purchase of a new helicopter. Program expansions increase the equipment appropriation by $64,100 in fiscal 1990 and $80,400 in fiscal 1991.

The non-operating budget reflects two changes. First is a $45,324 increase in fiscal 1990 and a $7,693 increase in fiscal 1991 for increased costs related to the acquisition of replacement vehicles. During the useful life of a department vehicle, the department can only recover the original cost of the vehicle. When it comes time to replace the vehicle, the department is short the difference between the price of a new vehicle and the original price of the vehicle being replaced. Therefore, the non-operating appropriation is license funds appropriated to the Vehicle Property Account to make up the vehicle purchase price difference. Second, the legislature includes $50,000 per year of legislative contract authority (LCA).

Program Expansions: There are two program expansions included in the 1991 biennial budget. Table 3 details the two expansions for fiscal 1990 and 1991 by FTE, general license fund, and total funds.

Table 3
Management Services Division
Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General License Acct.	Total	FTE	General License Acct.	Total
1. Cost Accounting	0.00	$35,000	$ 35,000	0.00	$ -0-	$ -0-
2. Vehicle Travel Costs	0.00	-0-	139,560	0.00	-0-	168,378
Total Program Expansions	0.00	$35,000	$174,560	0.00	$ -0-	$168,378

1. The Cost Accounting program expansion provides contract services for developing a management information system that will enable the agency to track the costs of meeting the department's goals and objectives.

2. The Vehicle Travel Costs program expansion provides the additional proprietary fund authority to cover the vehicle expenses related to the travel included in many of the department's program expansions.

Funding: The funding of the Management Services Division is detailed in Table 4.

Table 4
Management Services Division Funding

	Fiscal 1990	Fiscal 1991
State Special Revenues		
Snowmobile Fuel Tax	$ 62,100	$ 61,200
Coal Tax Trust Fund	169,747	167,547
Hunting and Fishing Licenses	1,412,286	980,050
State Parks Miscellaneous	73,350	56,910
Motorboat Fuel Tax	111,750	110,100
Motorboat Certificate	12,000	12,000
Snowmobile Registration	7,950	7,950
Subtotal State Special Revenue	$1,849,183	$1,395,757
Federal Funds	$ 450,635	$ 444,655
Proprietary Funds		
Equipment Fund	1,575,976	1,621,952
Warehouse Inventory	231,452	232,280
Subtotal Proprietary Funds	$1,807,428	$1,854,232
Total Funding	$4,107,246	$3,694,644

The 84.3 percent increase in state special funds reflects: 1) $330,000 which is part of the purchase price of the new helicopter; 2) a $139,560 increase in fiscal 1990 and $168,378 in fiscal 1991 for the vehicle travel cost program expansions; and 3) a $234,155 increase in fiscal 1990 and $247,940 in fiscal 1991 for insurance costs.

Difference From Executive: The use of a zero percent vacancy savings factor adds $30,000 per year while the pay plan adds $35,371 in fiscal 1990 and $73,548 in fiscal 1991 to the executive recommendation.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: FIELD SERVICES DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	39.14	45.41	45.41	0.00	45.41	45.41	0.00	6.27
Personal Services	$ 982,481	$1,141,275	$1,205,363	$ 64,088	$1,145,081	$1,253,240	$108,159	22.69
Operating Expenses	1,254,047	1,465,981	1,542,072	76,091	1,510,195	1,614,787	104,592	22.97
Equipment	195,143	134,000	116,420	(17,580)	109,582	96,420	(13,162)	(40.34)
Non-Operating	684	2,000	3,000	1,000	2,000	3,000	1,000	338.60
TOTAL EXPENSES	$2,432,355	$2,743,256	$2,866,855	$123,599	$2,766,858	$2,967,447	$200,589	17.86
FUNDING								
State Special Rev	$2,168,981	$2,382,812	$2,501,841	$119,029	$2,427,675	$2,619,143	$191,468	15.35
Federal Revenue	164,341	241,737	244,471	2,734	238,760	244,060	5,300	48.76
Proprietary Fund	99,033	118,707	120,543	1,836	100,423	104,244	3,821	21.72
TOTAL FUNDING	$2,432,355	$2,743,256	$2,866,855	$123,599	$2,766,858	$2,967,447	$200,589	17.86

Program Description: The Field Services Division is responsible for the following five functions: 1) licensing; 2) design and construction of department facilities; 3) aircraft usage; 4) data processing; and 5) landowner/sportsman relations.

Legislative Intent: The legislature has included boilerplate language that the three program expansions are not to be included in the 1993 biennial current level base.

Budget: The 6.27 FTE increase from fiscal 1988 to fiscal 1990 reflects: 1) 0.32 FTE transferred from the Parks Division; 2) a 0.50 FTE secretarial position transferred from the Fisheries Division; 3) 0.15 FTE transferred from Conservation Education; and 4) 5.30 FTE added in program expansions. The 22.7 percent increase in personal services reflects the changes in FTE, a zero percent vacancy savings applied to the budget, and the pay plan which added $40,807 in fiscal 1990 and $84,801 in fiscal 1991.

The $288,025 increase in operating expenses between fiscal 1988 and fiscal 1990 and the $360,740 increase in fiscal 1991 reflect: 1) the $35,000 per year consolidation of appraiser fees which previously were financed in other divisions; 2) a $17,348 increase in property taxes in fiscal 1990 and a $30,298 increase in fiscal 1991; 3) a $24,000 per year

increase in printing costs associated with license drawing applications and license sales; 4) a $5,200 per year increase to connect the department's computers to the state's mainframe computer; 5) a $13,750 per year increase in operating expenses associated with new department buildings; 6) a $4,700 per year increase in printing of landowner/sportsman materials; 7) a $13,000 increase in fiscal 1990 and a $15,000 increase in 1991 in postage; 8) a $65,000 increase in fiscal 1990 and a $94,000 increase in fiscal 1991 for payments in lieu of taxes; 9) other inflationary and minor adjustments; and 10) operating expenses of $120,000 per year for program expansions.

The 1987 legislature, in House Bill 526, provided additional funding for wildlife habitat. The increase in taxes corresponds to new land acquisitions planned in fiscal 1989 and fiscal 1990. The payments in lieu of taxes increase reflects taxation of administrative sites as required by the 1987 legislature.

The equipment appropriations are $116,420 in fiscal 1990 and $96,420 in fiscal 1991. The equipment budgeted is primarily computer and office equipment. In fiscal 1990, there is a one-time $20,000 appropriation for a duplicating machine, which causes the $20,000 difference between fiscal 1990 and fiscal 1991.

The non-operating expenses reflect funding for the Livestock Loss Reimbursement Program. The Livestock Loss Reimbursement Program was created to compensate landowners for livestock shot during the general hunting season.

Program Expansions: There are three program expansions for the Field Services Division. Table 5 details the program expansions by FTE, general license funds, and total funds.

Table 5
Field Services Division
Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General License Acct.	Total	FTE	General License Acct.	Total
1. Expand Block Management	3.30	$167,831	$167,831	3.30	$167,951	$167,951
2. Fishing and Motorboat Access	1.00	9,290	37,159	1.00	9,299	37,194
3. Microcomputer Support	1.00	23,676	23,676	1.00	23,706	23,706
Total Program Expansions	5.30	$200,797	$228,666	5.30	$200,956	$228,851

1. The Block Management program expansion expands the current Block Management Program which is designed to provide an incentive to private landowners to maintain free hunting access to private lands.

2. The Fishing and Motorboat Access program expansion funds an engineering position to design site developments for motorboat and fishing access sites funded by a portion of the $1.2 million expansion in Montana's Wallop-Breaux funding.

3. The Microcomputer Support program expansion funds 1.00 FTE to provide support for department computer users.

Funding: The funding of the Field Services Division is detailed in Table 6.

Table 6
Field Services Division Funding

	Fiscal 1990	Fiscal 1991
State Special Revenues		
Coal Tax Trust Fund	$ 80,180	$ 81,722
Hunting and Fishing Licenses	2,404,311	2,507,121
Real Estate Trust Earning	17,350	30,300
Federal Funds	244,471	244,060
Proprietary Funds		
Print Shop	120,543	104,244
Total Funding	$2,866,855	$2,967,447

Other Legislation:

Senate Bill 236 requires all elk license holders to return to the department a card containing information considered necessary to monitor elk kills and unsuccessful hunts. The department estimates it will save approximately $12,000 per year in elk survey costs when this bill is fully implemented.

Difference From Executive: The use of a zero percent vacancy savings factor adds $25,300 per year while the pay plan adds $40,807 in fiscal 1990 and $84,801 in fiscal 1991 to the executive recommendation.

The primary difference in operating expenses is $65,000 in fiscal 1990 and $94,000 in fiscal 1991 for payments in lieu of taxes.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS — PROGRAM: FISHERIES DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	127.38	106.44	108.59	2.15	107.69	110.00	2.31	(18.79)
Personal Services	$3,231,043	$2,851,539	$3,054,468	$ 202,929	$2,884,863	$3,166,117	$ 281,254	(5.46)
Operating Expenses	1,326,128	1,698,538	1,791,426	92,888	1,604,692	1,622,532	17,840	35.09
Equipment	166,417	261,735	266,335	4,600	224,863	224,863	0	60.04
Non-Operating	75,203	1,314,500	1,018,500	(296,000)	1,314,500	1,018,500	(296,000)	1254.33
TOTAL EXPENSES	$4,798,791	$6,126,312	$6,130,729	$ 4,417	$6,028,918	$6,032,012	$3,094	27.76
FUNDING								
State Special Rev	$2,764,995	$3,068,818	$3,210,989	$ 142,171	$3,022,473	$3,213,936	$ 191,463	16.13
Federal Revenue	2,033,796	3,057,494	2,919,740	(137,754)	3,006,445	2,818,076	(188,369)	43.56
TOTAL FUNDING	$4,798,791	$6,126,312	$6,130,729	$ 4,417	$6,028,918	$6,032,012	$ 3,094	27.76

Program Description: The Fisheries Division is responsible for the management of Montana's fisheries resources to provide optimum sport fishing. Management strategies attempt to maintain an efficient fish culture program consistent with state needs; to preserve, restore, and improve fish habitat; to maintain optimum population of desirable fish in state water; to provide workable fishing regulations which distribute fish equitably; to promote, where practical, commercial utilization of non-sport fish; and to provide and maintain the best possible recreational fishing.

Legislative Intent: The legislature has added a number of language sections to the appropriations bill which identify specific appropriations which should not be considered in the 1993 biennium budget base. The legislature line-itemed the purchase of two trucks which are not to be included in the 1993 biennium budget base. The legislature directed that the following items also be excluded from the 1993 biennium budget base: 1) the Stream Bank Projects Program expansion; 2) the U.S. Forest Service Cooperation program expansion; 3) the Evaluate Fish Population Program expansion; and 4) the Fishing and Motorboat Access Program expansion. The legislature also included intent language which requires the Department of Fish, Wildlife, and Parks to work with the conservation districts and appropriate parties implementing the stream bank projects program expansion.

A language section was included which allows the department to receive and expend additional federal funds and decreases a like amount of state special revenue.

A language section was included which identifies $25,000 per year appropriated for the University of Montana's use at the Yellow Bay Biological Station on Flathead Lake.

Budget: The 18.79 FTE reduction reflects the following changes: 1) included in actual fiscal 1988 were 27.14 FTE created by LCA that are not included in the budget; 2) a 0.50 secretarial position is transferred to the Field Services Division; 3) a 0.40 FTE is transferred to the Administration Division; 4) a 0.25 FTE appropriated in the fiscal 1989 program expansion is included in the budget; 5) a 0.67 FTE for the Fort Peck commercial fisheries program is transferred from an LCA program to a current level program; and 6) program expansions add 8.33 FTE.

Personal services are reduced by 5.5 percent. The reduction is caused by actual fiscal 1988 expenditures that include LCA expenditures. With the LCA expenditures removed from the personal services in "Actual Fiscal 1988," the expenditures for personal services are $2,662,872. Using $2,662,872 of actual expenditures in fiscal 1988, the percentage change between bienniums would be a 14.7 percent increase. The increase is caused by the change in FTE mentioned above, a zero percent vacancy savings factor applied to the division's budget, the pay plan, and program expansions which increase personal services by $167,700 in fiscal 1990 and $159,832 in fiscal 1991.

As was the case with personal services, the percentage change in operating expenses is inflated because "Actual Fiscal 1988" includes LCA expenditures. In fiscal 1988, the adjusted operating expenses (minus LCA) are $1,123,056. Therefore, the percentage change between bienniums using the adjusted actual fiscal 1988 expenditures would be a 59.5 percent increase.

The increase in operating expenses, minus the LCA expenditures, was $668,370 in fiscal 1990 and $499,476 in fiscal 1991. Table 7 details the changes in operating expenses.

Table 7
Changes in Fisheries Division Operating Expenses

Changes	Fiscal 1990	Fiscal 1991
1. Lease/purchase of water supply at Somers	$ 6,800	$ 6,800
2. Increase in travel and repair and maintenance because of a mild winter in fiscal 1988 and vacant positions	18,289	18,289
3. Restoration of base year reductions caused by emergency repairs to the Jocko Fish Hatchery	56,000	56,000
4. Full funding of a 1988 program expansion for the Flathead Basin Co-op	6,859	6,859
5. Increase in operating expenses for the Murray Springs Fish Hatchery	20,919	15,919
6. Transfer of operational costs for the Fort Peck Commercial Fisheries project from LCA to current level	20,253	20,253
7. Increase in data entry costs for Angler Survey	9,103	9,103
8. Contracting for literature review and assistance in preparation of environmental reviews and preliminary environmental reviews on proposed introductions of exotic fish and invertebrates	11,444	11,444
9. Other adjustments and inflation	14,118	(7,595)
10. Program expansions	419,585	337,404
11. Yellow Bay Biological Station	25,000	25,000
12. Water Leasing	60,000	-0-
Total Changes	$668,370	$499,476

The equipment budget includes two large trucks for $73,500 in fiscal 1990 and $93,000 in fiscal 1991. The legislature line-itemed these trucks so they would not be included in the 1991 biennium budget base. The equipment budget also includes $45,900 in fiscal 1990 and $21,400 in fiscal 1991 for boats, trailers, and boat motors; $10,200 in fiscal 1990 and $17,400 in fiscal 1991 for fish shocking equipment, $8,500 in fiscal 1990 and $7,000 in fiscal 1991 for laboratory equipment; $44,600 in fiscal 1990 and $51,800 in fiscal 1991 for fish hatchery equipment; $35,000 in fiscal 1990 for replacement of a large distribution truck for the Murray Springs Fish Hatchery; and $48,635 in fiscal 1990 and $34,263 in fiscal 1991 for other types of equipment.

Non-operating expenses include $1,000,000 per year of legislative contract authority. The non-operating line also includes $18,500 per year for a grant to the Cooperative Fisheries Unit at Montana State University. The grant is used for supplies and equipment, other operating expenses, and stipends for graduate students working on thesis projects approved by the department.

Program Expansions: Table 8 lists the program expansions approved by the legislature.

Table 8
Fisheries Division Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General License Acct.	Total	FTE	General License Acct.	Total
1. Missouri Basin Water Reservations	0.00	$ 15,000	$ 60,000	0.00	$ 15,000	$ 60,000
2. Angler Use and Harvest Survey	1.00	32,969	129,969	1.50	17,022	65,022
3. Stream Bank Projects	0.00	10,000	41,000	0.00	10,000	41,000
4. Irrigation Structures	0.00	5,000	20,000	0.00	5,000	20,000
5. USFS Cooperation	1.00	10,547	41,960	1.25	13,051	52,010
6. Miles City Fish Hatchery	0.93	20,499	81,844	0.93	20,510	81,884
7. Evaluate Fish Population	2.00	24,746	98,908	2.50	27,310	109,038
8. Fishing and Motorboat Access	0.75	8,970	35,895	0.75	8,987	35,965
9. Flathead Lake Fishery	0.50	5,425	21,674	0.50	5,430	21,694
10. Little Missouri Water Reservations	1.50	13,574	54,295	1.50	-0-	-0-
11. Paddlefish Roe (HB289)	0.65	4,662	18,648	0.81	5,932	23,730
12. Water Leasing Study (HB707)	0.00	-0-	60,000	0.00	-0-	-0-
Total Program Expansions	8.33	$151,392	$664,193	9.74	$128,242	$510,343

1. The Missouri River Basin Water Reservation program expansion allows the department to pay its share of the Department of Natural Resources and Conservation's cost of preparing an environmental impact statement on the water reservations and the DNRC costs of holding contested case hearings and preparing hearing transcripts.

2. The angler use and harvest survey program expansion finances the collection of angler use and harvest information needed to measure success in attaining Fisheries Division project goals.

3. The stream bank projects program expansion funds contracting for the purpose of representing the department in review of Natural Stream Bed and Land Preservation Act projects, irrigation diversions, and U.S. Forest Service projects in specific regions.

4. The irrigation structures program expansion funds the construction, distribution, and evaluation of alternative irrigation structures which are compatible with fish production and habitat.

5. The U.S. Forest Service cooperation program expansion funds cooperative collection of fisheries data on or adjacent to national forest lands for the purpose of improved planning and decision making in forest management activities.

6. The Miles City Fish Hatchery program expansion doubles the number of walleye and northern pike eggs collected and provides operational funding and personnel to operate the Miles City Fish Hatchery at its designated capacities.

7. The evaluate fish population program expansion evaluates and monitors fish population to develop and assess management plans, set regulations, and assess habitat conditions on priority waters, including Flathead Lake, Flathead River, Rock Creek, Blackfoot River, Big Hole River, Beaverhead River, Missouri River, Canyon Ferry Reservoir, Hauser Reservoir, Holter Reservoir, Yellowstone River, Bighorn River, and Fort Peck Reservoir.

8. The fishing and motorboat access program expansion provides assistance needed to administer the fishing access and motorboat access programs.

9. The Flathead Lake fishing program expansion enables Flathead Lake Kokanee stocking on an experimental basis in response to the declines in survival of naturally spawned fish.

10. The Little Missouri Water Reservation program expansion is a biennial appropriation to allow the department to participate in the water reservations process on the Little Missouri River. The expansion contains 1.50 FTE and is financed 25 percent by hunting and fishing license funds and 75 percent by federal funds.

11. The paddlefish roe program expansion provides funding for the department to monitor the paddlefish population. House Bill 289 allows fishermen to donate paddlefish roe to nonprofit corporations for use in caviar productions. The bill is expected to increase the demand for paddlefish and this program expansion is designed to monitor the paddlefish population. The expansion includes 0.65 FTE in fiscal 1990 and 0.81 FTE in fiscal 1991.

12. The water leasing study program expansion provides federal funds for a thorough study of the department leasing water rights.

Funding: The Fisheries Division is funded with hunting and fishing license revenues and federal funds. The 43.6 percent increase in federal funds primarily reflects three increases: 1) $60,000 in fiscal 1990 (a biennial appropriation) for water leasing; 2) a $240,000 increase in legislative contract authority; and 3) a change in the federal regulations so that now some of the fish hatchery operational expenses can be financed with federal funds on a 25 percent state/75 percent federal basis. Previously, these hatchery costs were entirely state financed.

Other Legislation:

House Bill 707 provides for a thorough study of the Department of Fish, Wildlife, and Parks' leasing water rights. The study can include a pilot program to lease water rights for the purposes of maintaining or enhancing stream flows for the benefit of fisheries during critical low flow periods. The bill appropriates $60,000 of federal funds for the biennium to undertake the water leasing study.

Senate Bill 183 includes the Little Missouri River within the Missouri Water Reservations process. The costs to implement Senate Bill 183 are identified in program expansion number 10.

Difference From Executive: The Little Missouri Water Reservations and House Bill 289 add 2.15 FTE and $72,943 in fiscal 1990, and 2.31 FTE and $23,730 in fiscal 1991.

The use of a zero percent vacancy savings factor adds $58,500 per year while the pay plan adds $97,133 in fiscal 1990 and $204,324 in fiscal 1991 to the executive recommendation.

House Bill 707 adds $60,000 federal funds for the biennium for a water leasing study.

The differences in non-operating costs reflect a reduction of $296,000 in federally funded legislative contract authority.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS — PROGRAM: LAW ENFORCEMENT DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	91.94	92.77	94.02	1.25	92.77	95.52	2.75	2.08
Personal Services	$2,830,610	$2,844,358	$3,017,865	$ 173,507	$2,858,162	$3,161,666	$303,504	6.62
Operating Expenses	880,223	908,255	1,052,731	144,476	957,140	1,111,040	153,900	19.60
Equipment	157,748	138,726	135,460	(3,266)	103,939	100,890	(3,049)	(14.13)
Non-Operating	4,739	7,500	7,500	0	7,500	7,500	0	58.26
TOTAL EXPENSES	$3,873,320	$3,898,839	$4,213,556	$ 314,717	$3,926,741	$4,381,096	$454,355	8.78
FUNDING								
State Special Rev	$3,653,201	$3,832,903	$4,023,659	$ 190,756	$3,890,859	$4,182,089	$291,230	10.14
Federal Revenue	220,119	65,936	189,897	123,961	35,882	199,007	163,125	(13.73)
TOTAL FUNDING	$3,873,320	$3,898,839	$4,213,556	$ 314,717	$3,926,741	$4,381,096	$454,355	8.78

Program Description: The Law Enforcement Division is responsible for protecting fish and wildlife and their habitat and for protecting recreation, historic, and archaeological sites from willful or negligent destruction. Management duties include administration of special purpose licenses, assisting landowners in alleviating wildlife damage, and conservation officer training.

Legislative Intent: Included in the division's budget is $40,000 per year which the department may use if it is successful in negotiating a compensatory time proposal with the warden's union. The compensatory time proposal would allow the department the flexibility of working wardens more than a 40-hour week and compensating the wardens with 1 1/2 hour compensatory time for every hour worked over 40 hours. The current policy is to pay time and a half for hours worked over 40 hours. The language would condition the use of the funds to a successfully negotiated compensatory time policy.

Built into the division's budget is an additional $27,000 per year for employee relocation costs. Language has been included which would eliminate any expenditures of the additional $27,000 appropriation from the 1993 biennium budget base. The legislature's intent was that the additional $27,000 was a one-time item.

Budget: The 2.08 FTE increase reflects: 1) a transfer of a 0.40 FTE to the Administration Division; 2) the elimination of a 0.27 FTE which was financed with LCA in fiscal 1988; and 3) the addition of program expansions which added 2.75 FTE in fiscal 1990 and 4.25 FTE in fiscal 1991.

Personal Services increase by 6.60 percent. Included in "Actual Fiscal 1988" expenditures are LCA expenditures. With the LCA expenditures removed, the adjusted personal services expenditures are $2,771,086. Using the adjusted personal services, the percentage change between fiscal 1988 expenditures and the fiscal 1990 appropriation is an 8.90 percent increase. The increase is caused by a zero percent vacancy savings factor, the pay plan, and program expansions.

As was the case with personal services, operating expenses are inflated because actual fiscal 1988 expenditures include LCA expenditures. In fiscal 1988, the adjusted operating expenses (minus LCA) were $796,506. Therefore, the percentage change between fiscal 1988 expenditures and fiscal 1990 appropriations is a 32.1 percent increase. The 32.1 percent increase in operating expenses was caused by a number of changes. These are itemized in Table 9.

Table 9
Changes in Law Enforcement Division Operating Expenses

Changes	Fiscal 1990	Fiscal 1991
1. Computer programming	$ 12,000	$ 12,000
2. Room and board for training new recruits	6,600	6,600
3. Security patrols at Giant Springs and Hauser Dam	3,986	3,986
4. Increased legal fees and court costs	2,150	2,150
5. Psychological tests and background checks for new employees	3,030	3,030
6. Increased travel for intern program	15,547	5,906
7. Transfer of Coast Guard funds from LCA to current level	81,992	82,516
8. Relocation costs	27,000	27,000
9. Increased warden travel during main hunting and fishing seasons	40,000	40,000
10. Saturation patrols in Western Montana	3,000	3,000
11. Other minor adjustments plus inflationary increases (primarily travel inflation)	40,920	99,346
12. Program expansions	20,000	29,000
Total Changes	$256,225	$314,534

The equipment budget includes $23,400 per year to replace snowmobiles; $41,450 in fiscal 1990 and $39,764 in fiscal 1991 to replace old patrol and motorboats; $16,380 in fiscal 1990 and $8,190 in fiscal 1991 to replace all terrain vehicles; $13,151 in fiscal 1990 and $13,778 in fiscal 1991 to replace radios; $15,050 in fiscal 1990 to replace law enforcement

equipment; $19,000 in fiscal 1990 and $15,758 in fiscal 1991 for other types of equipment; and $7,029 in fiscal 1990 for the program expansions.

Non-operating expenses include $7,500 for each year of the biennium for LCA.

Program Expansions: The legislature approved three program expansions for the Law Enforcement Division. Table 10 details the three expansions for fiscal 1990 and 1991 by FTE, the amount of general hunting and fishing revenues to finance the expansions, and the total cost of the expansions.

Table 10
Law Enforcement Division Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General License Acct.	Total	FTE	General License Acct.	Total
1. Warden in East Missoula/Rock Creek	1.00	$35,269	$35,269	1.00	$35,287	$ 35,287
2. All-Terrain Vehicle (HB165)	1.50	-0-	40,500	3.00	-0-	81,000
3. Paddlefish Roe (HB289)	0.25	9,500	9,500	0.25	9,500	9,500
Total Program Expansions	2.75	$44,769	$85,269	4.25	$44,787	$125,787

1. The Warden in East Missoula/Rock Creek program expansion adds one warden to an area that has had an increase in recreational activity.

2. The All-Terrain Vehicle program expansion adds 1.50 FTE in fiscal 1990 and 3.00 FTE in fiscal 1991 to enforce off-highway vehicle regulations. This program expansion is the result of House Bill 165.

3. The Paddlefish Roe program expansion provides a 0.25 FTE and travel expenses to enforce the paddlefish harvest regulations. This program expansion was added as a result of House Bill 289.

Funding: The Law Enforcement Division is funded by a number of state special revenue accounts and federal funds. Table 11 details the various funding sources included in the budget.

Table 11
Law Enforcement Division Funding

	Fiscal 1990	Fiscal 1991
State Special Revenues		
Coal Tax Trust	$ 31,353	$ 31,956
Hunting and Fishing Licenses	3,709,506	3,820,368
State Parks Income	49,845	50,803
Motorboat Fuel Tax	84,006	85,620
Motorboat Registration	90,433	90,432
Snowmobile Registration	16,778	16,778
Off-Road Vehicle Tax	41,738	86,132
Subtotal State Special Revenues	$4,023,659	$4,182,089
Federal Funds	189,897	199,007
Total Funding	$4,213,556	$4,381,096

The off-road vehicle tax is a new funding source which was created by House Bill 165, and creates a $5 annual decal fee, a $5 dealer registration fee, and a $50 dealer renewal fee.

Difference From Executive: House Bills 165 and 289 add 1.75 FTE and $50,000 in fiscal 1990, and 3.25 FTE and $90,500 in fiscal 1991. The budget was reduced by 0.50 FTE and $34,900 per year because the snowmobile enforcement program expansion was withdrawn by the agency.

The use of a zero percent vacancy savings factor adds $57,400 per year while the pay plan adds $88,532 in fiscal 1990 and $186,973 in fiscal 1991 to the executive recommendation.

The difference in operating expenses reflects: 1) $65,700 per year of federal funds for boating safety programs; 2) $27,000 per year for relocation costs; 3) $40,000 per year of additional operating expenses (primarily travel); and 4) $3,000 per year for saturation patrols in western Montana.

The legislature also switched $58,200 per year from the hunting and fishing license account to federal funds at the department's suggestion.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS — PROGRAM: WILDLIFE DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	110.28	96.12	94.93	(1.19)	96.12	94.93	(1.19)	(15.35)
Personal Services	$2,955,172	$2,754,180	$2,904,009	$ 149,829	$2,766,933	$2,975,368	$ 208,435	(1.73)
Operating Expenses	1,953,347	2,952,712	3,789,524	836,812	2,980,278	2,024,721	(955,557)	94.00
Equipment	129,212	125,324	91,885	(33,439)	134,173	111,885	(22,288)	(28.89)
Non-Operating	8,626	1,826,930	1,195,930	(631,000)	1,823,380	1,201,380	(622,000)	13,764.25
TOTAL EXPENSES	$5,046,357	$7,659,146	$7,981,348	$ 322,202	$7,704,764	$6,313,354	$(1,391,410)	58.16
FUNDING								
State Special Rev	$2,410,758	$3,624,217	$4,508,487	$ 884,270	$3,638,923	$2,755,028	$ (883,895)	87.02
Federal Revenue	2,635,599	4,034,929	3,472,861	(562,068)	4,065,841	3,558,326	(507,515)	31.77
TOTAL FUNDING	$5,046,357	$7,659,146	$7,981,348	$ 322,202	$7,704,764	$6,313,354	$(1,391,410)	58.16

Program Description: The Wildlife Division is responsible for the department's survey, inventory, and research of the state's wildlife resource and its habitat. The division operates and maintains the department's wildlife management areas in the state, which total approximately 300,000 acres. The goal of the Wildlife Division is to protect, perpetuate, enhance, and regulate the use of the wildlife resource for public benefit.

Legislative Intent: The legislature has included four sections of language associated with Wildlife Division appropriations: 1) $90,568 per year of operating expense increases which resulted from the lower than average expenditure in the base year (fiscal 1988) caused by mild winter conditions will be reviewed by the 1991 legislature; 2) the legislature approved the two program expansions and included language which requires that expenditures from these program expansions will not be included in the 1993 biennium budget base; 3) if the department wishes to continue the Non-game Wildlife Program in the 1993 biennium, then it is to present the legislature with funding alternatives which replace the use of hunting and fishing license funds in support of the program; and 4) the department is to report to the 1991 legislature all of the division's projects which terminate during the 1991 biennium.

Budget: The development of the 1991 biennial budget was accomplished in four steps. Starting from fiscal 1988 expenditures the first step was to remove the LCA expenditures from the base. The second step was to add in the adjustment authorized to the 1988 base. The third step was to include the fiscal 1990 LCA appropriation. The last step

was to add in the approved program expansions. Table 12 details the four steps used to develop the fiscal 1990 appropriations.

Table 12
Generation of Fiscal 1990 Budget

Budget Item	Actual Fiscal 1988	Fiscal 1988 LCA	Base Adjustment FY88	Fiscal 1990 LCA Appropriated	Program Expansions	Fiscal 1990 Appropriated
FTE	110.28	(15.04)	(0.91)		0.60	94.93
Personal Services	$2,955,172	$(325,063)	$243,640	$ -0-	$ 30,260	$2,904,009
Operating Expenses	1,953,347	(263,268)	273,306	-0-	1,826,139	3,789,524
Equipment	129,212	(39,695)	2,368	-0-	-0-	91,885
Total Operating Costs	$5,037,731	$(628,026)	$519,314	$ -0-	$1,856,399	$6,785,418
Non-Operating Costs	8,626	-0-	22,304	1,165,000	-0-	1,195,930
Total Expenditures	$5,046,357	$(628,026)	$541,618	$1,165,000	$1,856,399	$7,981,348
Fund Sources						
State Special	$2,410,758	$ -0-	$241,330	$ -0-	$1,856,399	$4,508,487
Federal and Other	2,635,599	(628,026)	300,288	1,165,000	-0-	3,472,861
Total	$5,046,357	$(628,026)	$541,618	$1,165,000	$1,856,399	$7,981,348

The "Fiscal 1988 LCA Expenditures" column represents the amounts expended in fiscal 1988 on LCA supported programs. These expenditures are taken from the fiscal 1988 base expenditure.

The "Base Adjustment" column represents base adjustments to fiscal 1988 expenditures. The 0.91 FTE reduction reflects: 1) a 0.25 FTE secretarial position transferred to the Field Services Division; 2) a 0.40 FTE transferred to the Administration Division; 3) a 0.10 FTE data analysis position transferred from the Parks Division; and 4) 0.36 FTE which was eliminated because it was vacant in fiscal 1989. The $243,640 increase in personal services reflects fully funding all positions and $88,175 for the pay plan. In fiscal 1988 the division had an 8.14 percent vacancy savings and in fiscal 1990 no vacancy savings has been applied. The changes which result in the $273,306 increase in operating expenses are detailed in Table 13.

Table 13
Changes in Wildlife Division Operation Expenses

		Fiscal 1990	Fiscal 1990
1.	Transfer of appraisal fees to Field Services	$(53,000)	$(53,000)
2.	Increase for additional management cost associated with game management areas purchased in the 1989 biennium	68,000	68,000
3.	Reduction in timber consulting contract at Mt. Haggin	(10,000)	(10,000)
4.	Travel and aircraft rental increase to reflect the mild winter and vacancy savings in fiscal 1988	150,947	150,947
5.	Grizzly bear damage control	8,930	8,930
6.	Higher helicopter rates associated with the purchase of a new helicopter	60,000	60,000
7.	Higher private helicopter rates	6,060	6,060
8.	Increase for noxious weed control	5,000	5,000
9.	Increase in computer maintenance costs	12,300	12,300
10.	Inflation and other minor increases	25,069	71,267
	Total Changes	$273,306	$319,504

The equipment budget was determined using a three-year average. The three years used to determine the average were 1985, 1987, and 1988. The budget for equipment is $91,885 per year. In fiscal 1991, an additional $20,000 was added to the budget for a trailer for the Gallatin game check station.

The non-operating line item includes $1,165,000 per year of legislative contract authority which can be seen in the "Fiscal 1990 LCA Appropriated" column in Table 12. Also included in the non-operating line item is $30,930 in fiscal 1990 and $36,380 in fiscal 1991 for graduate student research projects. In fiscal 1988, the division expended $8,626 on graduate student research.

Program Expansions: The legislature approved three program expansions for the Wildlife Division. Table 14 details the three expansions for fiscal 1990 and 1991 by FTE, the amount of general hunting and fishing revenues to finance the expansions, and the total cost of the expansions.

Table 14
Wildlife Division Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General License Acct.	Total	FTE	General License Acct.	Total
1. Habitat/Timber Sales Planning	0.00	$16,391	$ 16,391	0.00	$16,436	$16,436
2. Non-game Wildlife Program	0.60	28,090	28,090	0.60	29,025	29,025
3. Pheasant Enhancement Program	0.00	-0-	1,811,918	0.00	-0-	-0-
Total Program Expansions	0.60	$44,481	$1,856,399	0.60	$45,461	$45,461

1. The Habitat/Timber Sales Planning program expansion jointly funds a wildlife biologist with the Department of State Lands (DSL) to implement habitat guidelines for state forest lands on timber sales and to continue training DSL employees for timber sale planning which is compatible with wildlife values and concerns. The FTE for the position is appropriated in the Department of State Lands' budget.

2. The Non-game Wildlife program expansion adds 0.60 FTE to help promote the non-game tax check-off by informing the public of the program benefits and to develop comprehensive regional inventories.

3. The Pheasant Enhancement program expansion reflects the biennial appropriation to continue the Pheasant Enhancement program created by the Fiftieth Legislature. In fiscal 1988, the department expended only $24,600. The funds will primarily be used to develop habitat.

Funding: The Wildlife Division is funded primarily with hunting and fishing license fees and federal funds. However, there are some specialized wildlife programs which are financed with earmarked state special revenues. Table 15 details the funding of the Wildlife Division.

Table 15
Wildlife Division Funding

	Fiscal 1990	Fiscal 1991
State Special Revenues		
Non-game Wildlife	$ 19,500	$ 19,500
Waterfowl Stamp	49,800	49,800
Mountain Sheep	21,990	21,990
Moose Auction	9,262	9,262
Pheasant Enhancement	1,849,000	-0-
Real Property Trust	68,000	68,000
Hunting and Fishing License	2,490,935	2,586,476
Federal Funds	3,472,861	3,558,326
Total Funding	$7,981,348	$6,313,354

Other Legislation:

House Bill 720 requires the department to do a social and economic impact analysis of all wildlife habitat acquisitions. There is no additional appropriation contained in House Bill 100 to implement this bill.

Senate Bill 33 renames the Pheasant Enhancement Program to the Upland Game Bird Enhancement Program. The bill also adds habitat enhancement efforts as an eligible activity for state financing with pheasant enhancement funds.

Difference From Executive: The 1.19 FTE reduction reflects: 1) a 0.33 FTE and $16,600 per year timber sales/hunting program expansion which was not approved; 2) a 0.21 FTE and a 0.15 FTE and $6,000 were eliminated by the legislature because the positions were vacant in fiscal 1989; and 3) a 0.50 FTE associate with the habitat/timber sales program expansion was withdrawn. The legislature approved the funding for the habitat/timber sales program expansion but not the FTE.

The use of a zero percent vacancy savings factor adds $110,200 per year while the pay plan adds $88,175 in fiscal 1990 and $183,703 in fiscal 1991 to the executive recommendation.

The difference in operating expenses results from the Pheasant Enhancement Program appropriation being a biennial appropriation rather than two yearly appropriations. The legislature also transferred $100,000 of pheasant enhancement funds to the Administrative Division for the Saline Seep Control program expansion.

The differences in equipment reflect the use of a three-year average which was less than the executive recommendation.

The non-operating differences reflects the legislative contract authority appropriation of $1,165,000 per year rather than the $1,796,000 per year recommended by the executive.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: PARKS DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	83.87	84.43	96.18	11.75	84.43	96.18	11.75	12.31
Personal Services	$1,661,750	$1,903,352	$2,034,475	$131,123	$1,958,723	$2,166,421	$207,698	22.43
Operating Expenses	1,117,651	1,463,581	1,746,092	282,511	1,376,936	1,940,095	563,159	56.23
Equipment	191,884	250,810	257,144	6,334	243,353	230,448	(12,905)	34.01
Non-Operating	188,894	718,162	708,000	(10,162)	22,635	8,000	(14,635)	274.81
TOTAL EXPENSES	$3,160,179	$4,335,905	$4,745,711	$409,806	$3,601,647	$4,344,964	$743,317	50.17
FUNDING								
State Special Rev	$2,720,969	$2,980,042	$3,472,127	$492,085	$2,872,803	$3,653,753	$780,950	27.61
Federal Revenue	188,894	999,866	910,578	(89,288)	381,496	334,836	(46,660)	382.06
Proprietary Fund	250,316	355,997	363,006	7,009	347,348	356,375	9,027	45.02
TOTAL FUNDING	$3,160,179	$4,335,905	$4,745,711	$409,806	$3,601,647	$4,344,964	$743,317	50.17

Program Description: The Recreation and Parks Division is responsible for the operation and maintenance of the state park system, including state parks, recreation areas, monuments, recreational waterways, recreational ponds, and fishing access sites. The division is also responsible for: 1) conservation of the scenic, historic, archaeological, scientific, and recreational resources of the state; 2) the administration of the federal Land and Water Conservation Fund in Montana; 3) the administration of snowmobile recreation in Montana by providing maintenance and installation of snowmobile facilities; and 4) maintenance of the Capitol Complex grounds.

Legislative Intent: Included in the division's budget is $225,881 in fiscal 1990 and $393,743 in fiscal 1991 for the Montana Conservation Corps. The legislature included language which linked the expenditure of the amounts appropriated for the Montana Conservation Corps to enactment of Senate Bill 388. Senate Bill 388 was passed by the legislature and signed by the Governor; therefore, the funds may be expended.

Also, the legislature included language which designated $275,500 per year of state special revenue for the operation and maintenance of Canyon Ferry Recreation Area.

Budget: The Parks Division's 1991 biennial budget was developed as detailed in Table 16. Contained in Table 16 are the base adjustments and program expansions which create the fiscal 1990 and fiscal 1991 budgets.

Table 16
Parks Division 1991 Biennial Budget

Fiscal 1990

	Fiscal 1988 Expenditures	FY90 Base Adjustments	Redirection	Fee Sites	MT Conserv Corps.	Fish Access Sites	Canyon Ferry Consultant	Fiscal 1990 Budget
FTE	83.87	(2.50)	2.70	7.30	3.00	1.81	0.00	96.18
Personal Services	$1,661,750	$133,050	$ 65,513	$106,067	$ 42,517	$25,578	$ -0-	$2,034,475
Operating Expenses	1,117,651	138,929	134,312	103,310	183,364	18,526	50,000	1,746,092
Equipment	191,884	47,370	-0-	14,140	-0-	3,750	-0-	257,144
Subtotal Operating Exp.	$2,971,285	$319,349	$199,825	$223,517	$225,881	$47,854	$50,000	$4,037,711
Non-Operating Expenses	188,894	519,106	-0-	-0-	-0-	-0-	-0-	708,000
Total Expenditures	$3,160,179	$838,455	$199,825	$223,517	$225,881	$47,854	$50,000	$4,745,711
Funding								
State Special Revenue	$2,720,969	$181,711	$189,825	$223,517	$108,251	$47,854	$ -0-	$3,472,127
Federal Revenue	188,894	544,054	10,000	-0-	117,630	-0-	50,000	910,578
Proprietary Funds	250,316	112,690	-0-	-0-	-0-	-0-	-0-	363,006
Total Funding	$3,160,179	$838,455	$199,825	$223,517	$225,881	$47,854	$50,000	$4,745,711

Fiscal 1991

	Fiscal 1988 Expenditures	FY 91 Base Adjustments	Redirection	Fee Sites	MT Conserv. Corps.	Fish Access Sites	Canyon Ferry Consultant	All-Terr. Vehicles	Fiscal 1991 Budget
FTE	83.87	(2.50)	2.70	7.30	3.00	1.81	0.00	0.00	96.18
Personal Services	$1,661,750	$ 222,883	$ 66,324	$106,067	$ 82,730	$26,667	$ -0-	$ -0-	$2,166,421
Operating Expenses	1,117,651	156,726	128,089	153,090	311,013	18,526	50,000	5,000	1,940,095
Equipment	191,884	31,314	3,500	-0-	-0-	3,750	-0-	-0-	230,448
Subtotal Operating Exp.	$2,971,285	$ 410,923	$197,913	$259,157	$393,743	$48,943	$50,000	$5,000	$4,336,964
Non-Operating Expenses	188,894	(180,894)	-0-	-0-	-0-	-0-	-0-	-0-	8,000
Total Expenditures	$3,160,179	$ 230,029	$197,913	$259,157	$393,743	$48,943	$50,000	$5,000	$4,344,964
Funding									
State Special Revenue	$2,720,969	$ 279,915	$187,913	$259,157	$151,856	$48,943	$ -0-	$5,000	$3,653,753
Federal Revenue	188,894	(155,945)	10,000	-0-	241,887	-0-	50,000	-0-	334,836
Proprietary Funds	250,316	106,059	-0-	-0-	-0-	-0-	-0-	-0-	356,375
Total Funding	$3,160,179	$230,029	$197,913	$259,157	$393,743	$48,943	$50,000	$5,000	$4,344,964

Included in the fiscal 1990 and fiscal 1991 base adjustments are 2.50 FTE which are transferred to other divisions as follows: 1) a 0.84 FTE laborer and a 0.25 FTE grounds keeper were transferred to the Field Services Division; 2) a 0.40 FTE was transferred to the Administration Division; 3) a 0.10 FTE data analyst was transferred to the Wildlife Division; 4) a 0.75 FTE regional assistant was transferred to the Administration Division; and 5) a 0.16 FTE was transferred to the Field Services Division to operate the Land Inventory System.

The increase of $133,050 in fiscal 1990 and $222,883 in fiscal 1991 in base level personal services primarily reflects a difference of vacancy savings factors between fiscal 1988 and fiscal 1990, and the play plan. In fiscal 1988, a 4 percent vacancy savings factor was realized, and in the 1991 biennium no vacancy savings have been applied.

The $138,928 increase in fiscal 1990 in base level operating expenses reflects: 1) a $59,300 per year increase for repair and maintenance of snowmobile equipment; 2) a $34,000 increase in fiscal 1990 for snowmobile groomer replacement; 3) an increase of $19,200 per year for utilities and water costs for capitol ground maintenance plus an additional $10,300 for a projected increase in Helena City water rates; 4) a $15,000 per year increase in capitol ground maintenance contracts; and 5) $1,129 per year in other adjustments and inflation charges.

The equipment budget is $257,144 in fiscal 1990 and $230,448 in fiscal 1991. Table 17 lists the major equipment included in budget for fiscal 1990 and 1991.

Table 17
Parks and Recreation Division
1991 Biennium Equipment

	Fiscal 1990	Fiscal 1991
Snowmobile Trail Grooming Equipment	$139,791	$148,447
Dump Trucks (3)	21,000	44,000
Heavy Duty Mowers (3)	11,340	15,400
Snow Sweeper	15,000	-0-
Other Equipment	52,123	15,351
Program Expansions	17,890	7,250
Total Equipment	$257,144	$230,448

The non-operating increase of $519,106 primarily reflects the appropriation of $700,000 for federal Land and Water Conservation grants. Also included in non-operating is $8,000 for contingency snow removal costs.

As shown in Table 16, there are five program expansions in fiscal 1990 and six in fiscal 1991. The first two program expansions relate to the department's proposal to charge an entrance fee to state parks. At state parks which

are leased from the federal government, the entrance fees will replace approximately $160,000 per year of state funds which were used to maintain the parks in previous fiscal years. The federal sites are Canyon Ferry, Hell Creek, Lost Creek, and Kipp Reservoir. These funds have been redirected to: water systems testing and improvements ($28,000 per year); increased parks rangers ($49,800 per year); funds to implement the Smith River Management Plan ($31,000 per year); funds to begin development of a statewide comprehensive outdoor recreation plan ($23,500 per year); weed control in state parks ($28,400 per year); and $37,500 per year for increased operation and maintenance of state parks.

The "Fee Sites" column represents the increased cost associated with collection and enforcement of the proposed entrance fees. The proposed state park fee is an annual pass which could be purchased by families, or individuals could pay for a single visit. The fees set by the Fish and Game Commission are $12 for an annual family pass, $.50 per person per visit, or $2 per carload per visit. The fee would be assessed at 37 of the state park system's 66 sites. The 37 sites are the more heavily used sites.

The Montana Conservation Corps program expansion provides work experience for unemployed or economically disadvantaged youth and adults. The program is designed to provide improvements to state recreation facilities while providing the work experience.

The Fishing Access Site program expansion funds scheduled maintenance projects on fishing access sites in four department regions.

The Canyon Ferry Consultant program expansion will finance the cost of developing a comprehensive recreation plan for the Canyon Ferry Recreation Area.

The All Terrain program expansion (HB165) is $5,000 in fiscal 1991 to hire a consultant to evaluate the feasibility of developing and implementing an off-highway vehicle program.

Funding: The Parks Division is financed with state special revenue and federal funds. The Capitol Grounds Maintenance Program is financed by a proprietary account. All state agencies with offices in the Capitol Complex pay proportionately into the proprietary account for grounds maintenance. The agencies are charged based upon the square footage of office space for use. Table 18 details the Parks Division funding.

Table 18
Parks Division Funding

	Parks Program		Grounds Maintenance	
	Fiscal 1990	Fiscal 1991	Fiscal 1990	Fiscal 1991
State Special Revenues				
Snowmobile Fuel Tax	$ 355,558	$ 353,947	$ -0-	$ -0-
Coal Tax Trust	952,445	1,041,538	-0-	-0-
Hunting and Fishing Licenses	518,691	529,876	-0-	-0-
State Parks Income	950,220	1,039,144	-0-	-0-
Motorboat Fuel Tax	581,435	570,470	-0-	-0-
Snowmobile Registration	16,778	16,778	-0-	-0-
Fishing Access Sites	97,000	97,000	-0-	-0-
Off-Road Vehicle Tax	-0-	5,000	-0-	-0-
Subtotal State Special Revenue	$3,472,127	$3,653,753	$ -0-	$ -0-
Federal Funds	$ 910,578*	$ 334,836	$ -0-	$ -0-
Proprietary Funds				
Snow Groomer Replacement	$ 139,791	$ 146,447	$ -0-	$ -0-
Grounds Maintenance	-0-	-0-	223,215	209,928
TOTAL FUNDING	$4,522,496	$4,135,036	$223,215	$209,928

*Includes $700,000 of federal Land and Water Conservation funds for the biennium.

The increase in the state parks income account is caused by the proposed entrance fee to be assessed at state parks.

Other Legislation:

House Bill 655 provides for the administration and regulation of floating, camping, and recreational use on a portion of the Smith River. Included in the Parks Division budget under the heading of "Redirection" is $31,000 per year to implement the Smith River Management Plan.

House Bill 662 revises the camping fees for the disabled and/or senior citizens. Prior to the passage of House Bill 662, any Montana resident who was 62 years or older could purchase a "Montana State Golden Years Pass for $1.00. The pass allowed the holder to camp free at any state campground. With the passage of House Bill 662, a senior citizen will have to pay 50 percent of the campsite's rental rate. It is estimated that the fee change will result in an additional

$53,000 per year of revenue. The revenue is deposited into the state parks miscellaneous income account, which is a state special revenue fund.

Senate Bill 388 establishes the statutory framework for the Montana Conservation Corps. The intent of the corps is: 1) to accomplish labor-intensive improvements to the state park system and to other public lands; and 2) to provide productive ways for unemployed or economically disadvantaged youth and adults to learn work skills and have productive employment.

Difference From Executive: The legislature made the following changes which affected the FTE. First, 7.30 FTE and $233,500 in fiscal 1990 and $259,200 in fiscal 1991 were added to administer the entrance fees at state parks. Second, 3.30 FTE and $140,000 in fiscal 1990 and 5.05 FTE and $206,800 in fiscal 1991 were added to provide additional services at federally owned (but state-managed) recreational sites. The entrance fee income from the federal sites is the source of revenue for the additional services. Third, the executive had incorrectly reduced 1.15 FTE in fiscal 1990 and added 0.60 FTE in fiscal 1991.

The legislature reduced the appropriation for the Montana Conservation Corps by $31,000 in fiscal 1990 and increased the appropriation by $55,200 in fiscal 1991. The use of a zero percent vacancy savings factor adds $34,500 per year, while the pay plan adds $77,512 in fiscal 1990 and $160,056 in fiscal 1991 to the executive recommendation.

The difference in operating expenses reflects: 1) a $51,100 adjustment in fiscal 1991 for snowmobile rent; 2) $50,000 per year of federal funds for a recreational study of the Canyon Ferry Recreational Area; 3) the transfer of $84,000 per year of highway funds from the operating budget to the Long-Range Building Program; and 4) $5,000 in fiscal 1991 for an All-terrain Vehicle Recreational Plan (HB 165).

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: CONSERVATION EDUCATION DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	22.05	23.05	23.80	0.75	23.05	24.05	1.00	1.75
Personal Services	$ 686,649	$ 709,202	$ 778,630	$ 69,428	$ 711,746	$ 785,337	$ 73,591	13.40
Operating Expenses	512,559	547,793	574,258	26,465	563,073	582,435	19,362	12.04
Equipment	21,239	25,750	26,750	1,000	19,000	19,000	0	25.95
Non-Operating	0	0	112,250	112,250	20,000	0	(20,000)	0.00
TOTAL EXPENSES	$1,220,447	$1,282,745	$1,491,888	$209,143	$1,313,819	$1,386,772	$ 72,953	22.24
FUNDING								
State Special Rev	$1,097,712	$1,141,218	$1,209,798	$ 68,580	$1,150,101	$1,243,054	$ 92,953	10.21
Federal Revenue	122,735	141,527	282,090	140,563	163,718	143,718	(20,000)	129.84
TOTAL FUNDING	$1,220,447	$1,282,745	$1,491,888	$209,143	$1,313,819	$1,386,772	$ 72,953	22.24

Program Description: The Conservation Education Division is responsible for the public relations functions of the department, including film production and publication, and distribution of the Montana Outdoors magazine. The division informs the public about fish and wildlife laws, administrative rules, and policies that are designed to regulate outdoor recreational activities.

Legislative Intent: The legislature added language which specified that the $150,000 biennial appropriation for shooting ranges can only be expended by the department on shooting ranges.

Budget: The 1.75 FTE change between fiscal 1988 and fiscal 1990 represents three changes: 1) the transfer of a 1.00 FTE environmental specialist position from the Administration Division to the Conservation Education Division; 2) the addition of a 0.25 FTE in fiscal 1990 and a 0.50 FTE in fiscal 1991 to implement the All-Terrain Vehicle Program expansion; and 3) 0.50 FTE per year to administer the shooting range grants.

The 13.4 percent increase in personal services from fiscal 1988 to fiscal 1990 is primarily caused by the transfer of the environmental specialist position and the 0.25 FTE for the All-Terrain Vehicle Program expansion. The environmental specialist position is budgeted at $28,100 per year. No vacancy savings factor has been applied in the 1991 biennium.

Operating expenses increase by 12.0 percent with the major increases being: 1) a 5 percent per year increase in the Montana Outdoors subscription fulfillment which increases the budget $5,880 in fiscal 1990 and $9,040 in fiscal 1991; 2) a $3,800 addition in fiscal 1990 for script writing and film narration of a department documentary; 3) a $2,000 per year increase in production costs for public service announcements; 4) a $1,200 per year increase in contracts with wildlife photographers for film and photographs to be used in department documentaries; 5) an $11,300 reduction in contracted publicity; 6) a $5,744 increase in fiscal 1990 and $3,324 in fiscal 1991 for the purchase and/or preparation of exhibits; 7) increased printing costs of $20,700 in fiscal 1990 and $32,700 in fiscal 1991 for informational brochures and the Montana Outdoors magazine; and 8) $12,000 of inflationary increases in fiscal 1990 and $18,700 in fiscal 1991. The remaining increases result from program expansions.

The equipment budget includes $15,350 in fiscal 1990 and $10,700 in fiscal 1991 for photographic equipment, $5,000 per year for film, and $6,400 in fiscal 1990 and $3,300 in fiscal 1991 for other various pieces of equipment.

Program Expansions: The legislature has approved three program expansions for the Conservation Education Division. Table 19 lists the approved program expansions.

Table 19
Conservation Education Division Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General License Acct.	Total	FTE	General License Acct.	Total
1. Hunter Safety Program	0.00	$ 1,875	$ 7,500	0.00	$1,875	$ 7,500
2. Public Shooting Ranges	0.50	9,437	150,000	0.50	-0-	-0-
3. All-Terrain Vehicle (HB165)	0.25	-0-	10,300	0.50	-0-	18,850
Total Program Expansions	0.75	$11,312	$167,800	1.00	$1,875	$26,350

1. The Hunter Safety Program expansion provides award incentives to formally acknowledge and thank volunteer hunter safety instructors for their contributions.

2. The Public Shooting Ranges program expansion initiates a pilot grant program to assist in the development of public shooting ranges which will help eliminate increasing pressure on private landowners and provide additional safe shooting opportunities for youth participating in hunter education courses.

3. The All-Terrain Vehicle program expansion finances an education and safety program comparable to the snowmobile education and safety program.

Funding: The Conservation Education Division is primarily funded with hunting and fishing license income. Federal funds and state special revenues also finance portions of the division. Table 20 details the financing of the division.

Table 20
Conservation and Education Division Funding

	Fiscal 1990	Fiscal 1991
State Special Revenues		
Off-Road Vehicle Tax	$ 12,000	$ 20,850
Snowmobile Fuel Tax	37,159	37,159
Coal Tax Trust	27,297	27,822
Hunting and Fishing License	1,133,342	1,157,223
Total State Special Revenue	$1,209,798	$1,243,054
Federal Funds	282,090	143,718
Total Funding	$1,491,888	$1,386,772

Difference From Executive: House Bill 165 adds a 0.25 FTE and $10,300 in fiscal 1990, and a 0.50 FTE and $18,850 in fiscal 1991. The legislature appropriated 0.50 FTE and $150,000 for the biennium for the Public Shooting Ranges Program expansion. The executive had recommended $20,000 in fiscal 1991 for the program.

The use of a zero percent vacancy savings factor adds $14,000 per year while the pay plan adds $22,671 in fiscal 1990 and $47,484 in fiscal 1991 to the executive recommendation.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS — PROGRAM: Administration Division

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	30.38	36.80	31.13	(5.67)	36.80	31.13	(5.67)	0.75
Personal Services	$ 965,608	$1,055,506	$1,003,137	$(52,369)	$1,059,872	$1,040,736	$(19,136)	3.89
Operating Expenses	482,426	629,967	953,450	323,483	682,640	708,628	25,988	97.64
Equipment	30,474	33,025	29,025	(4,000)	15,300	14,800	(500)	(4.75)
Non-Operating	164,869	190,000	360,000	170,000	190,000	210,000	20,000	118.36
TOTAL EXPENSES	$1,643,377	$1,908,498	$2,345,612	$437,114	$1,947,812	$1,974,164	$ 26,352	42.73
FUNDING								
State Special Rev	$1,302,694	$1,512,494	$1,693,508	$181,014	$1,563,458	$1,502,040	$(61,418)	30.00
Federal Revenue	340,683	396,004	652,104	256,100	384,354	472,124	87,770	91.41
TOTAL FUNDING	$1,643,377	$1,908,498	$2,345,612	$437,114	$1,947,812	$1,974,164	$ 26,352	42.73

Program Description: The Administration Division includes the Fish and Game Commission, the Director's Office, the regional administrative staff, and associated staff services. The commission sets department policies and priorities and regulates the harvest of fish, game, and fur bearers through regulations establishing seasons and bag limits. The Director's Office provides executive direction for the department's overall program. Management strategies are implemented through the director, associate and deputy directors, and regional administrative staff.

Legislative Intent: The legislature included four language sections with the Administration Division appropriation: 1) the fish and wildlife enhancement program expansion expenditures and the salinity control grant are not to be included in the department's 1993 biennium budget base; 2) language is included stating that the department is to use the salinity control grant to contract with the Montana Salinity Control Association for salinity control programs which provide benefits to fish and wildlife habitat; 3) language defining the accounting and reporting of legislative contract authority projects is included; and 4) the department shall not expend $100,000 of state funds for a Cherry Creek Dam feasibility study until $50,000 of local/private and $150,000 of federal funds are provided as matching funds.

Budget: The 0.75 FTE increase results from the following changes: 1) a 1.00 FTE managerial position was transferred to Management Services; 2) 2.00 FTE were transferred from various divisions to Administration; 3) a 0.75 FTE regional assistant was transferred from the Parks Division; and 4) 1.00 FTE environmental specialist was transferred to the Conservation Education Division.

The operating expenses increase by $471,024 in fiscal 1990 and $226,202 in fiscal 1991. The major changes in operating expenses are detailed in Table 21.

Table 21
Changes in Administrative Division Operating Expenses

	Fiscal 1990	Fiscal 1991
1. Reduction in rent associated with the construction of the Kalispell Regional Office	$(11,200)	$(11,200)
2. Transfer of the Northwest Planning Council dues payment from an operating expense line item to the non-operating expense line item. The dues are associated with the LCA appropriation.	(8,500)	(8,500)
3. New or increased consultant contracts		
A. Montana Riparian Association	4,000	4,000
B. Research projects to incorporate wildlife considerations into wilderness management planning	5,000	5,000
C. Review of request for special uses of department lands	15,000	15,000
D. Clark Fork studies	10,000	10,000
E. Petition and portages requests	15,000	15,000
F. Native American liaison and legal issues	15,000	15,000
G. Increase in legal counsel for department stream access legal issues and protection of department's water rights	11,200	11,200
4. Elimination of one-time consultant contracts	(19,821)	(19,821)
5. Increase for the department's legal and court costs	12,304	12,304
6. Inflation and other minor adjustments	5,040	10,218
7. Program Expansion	418,001	168,001
Total Changes	$471,024	$226,202

Equipment is included at the department's requested level. Some of the major equipment items budgeted in the 1991 biennium are: 1) $6,600 per year for office equipment; 2) $9,400 in fiscal 1990 and $4,000 in fiscal 1991 for duplicating equipment; 3) $2,250 in fiscal 1990 for computer equipment; and 4) $5,200 in fiscal 1991 for other types of equipment. There is also additional equipment associated with program expansions.

The non-operating budget includes: 1) $110,000 per year which is transferred to the Department of Livestock for predator control; 2) $10,000 per year for capital improvements to the department's headquarters building; 3) $25,000 per year transferred to the State Library for development of the Natural Heritage Program; 4) $65,000 per year of legislative contract authority; and 5) a $150,000 biennial grant to the Montana Salinity Control Association for control of saline seep. The $110,000 per year transferred to the Department of Livestock for predator control represents a $20,000 per year increase.

Program Expansions: The legislature approved five program expansions for the Administration Division. Table 22 details the five expansions for fiscal 1990 and 1991 by FTE, the amount of general hunting and fishing revenues to finance the expansions, and the total cost of the expansions.

Table 22
Administrative Division Program Expansions

	Fiscal 1990			Fiscal 1991		
	FTE	General License Acct.	Total	FTE	General License Acct.	Total
1. Fixed Costs	0.00	$ 32,576	$ 32,576	0.00	$ 31,201	$ 31,201
2. Matching Funds	0.00	50,000	100,000	0.00	75,000	150,000
3. Predator Control	0.00	20,000	20,000	0.00	20,000	20,000
4. Saline Seep Control	0.00	25,000	150,000	0.00	-0-	-0-
5. Cherry Creek Dam	0.00	50,000	300,000	0.00	-0-	-0-
Total Program Expansions	0.00	$177,576	$602,576	0.00	$126,201	$201,201

1. The Fixed Costs program expansion funds increased costs of heat, lights, janitorial, and security services at the three new regional headquarters.

2. The Fish and Wildlife Enhancement program expansion provides matching funds for the federal Bureau of Land Management and U.S. Forest Service challenge grants for fish and wildlife enhancement projects.

3. The Predator Control program expansion increases the grant to the Department of Livestock from $90,000 per year to $110,000 per year.

4. The Saline Seep Control program expansion appropriates $150,000 for the biennium for salinity control. The funds are to be used to control salinity seep on fish and wildlife habitat. The expansion is funded $125,000 by Pheasant Habitat funds and $25,000 by hunting and fishing license revenues.

5. The Cherry Creek Dam program expansion provides $50,000 of license funds and $50,000 of Dingle Johnson funds for a feasibility study on constructing a dam on Cherry Creek. The $100,000 of state/federal funds would match $50,000 of private/local funds, plus $150,000 of federal funds. The total feasibility study will cost $300,000.

Funding: The Administration Division is funded with hunting and fishing revenues and federal funds. As identified above, the Saline Seep Control grant is supported by Pheasant Habitat funds.

Other Legislation:

Senate Bill 446 authorizes the Department of Fish, Wildlife, and Parks to negotiate with the members of the Confederated Salish and Kootenai Tribes of the Flathead Reservation concerning the members' rights to hunt and fish off the reservation on open and unclaimed lands without state licenses, permits, or stamps.

Difference From Executive: The legislature did not approve the Regional Support program expansion for 5.50 FTE and $138,700 in fiscal 1990 and $133,500 in fiscal 1991. The executive budget had unfunded a 0.17 FTE which the legislature eliminated.

The use of a zero percent vacancy savings factor adds $19,300 per year while the pay plan adds $31,087 in fiscal 1990 and $64,531 in fiscal 1991 to the executive recommendation.

The difference in operating expenses reflects: 1) a $17,500 per year reduction in consultant services; 2) a $300,000 biennial appropriation for the Cherry Creek Dam feasibility study; and 3) $50,000 of federal funds in fiscal 1990 and $75,000 in fiscal 1991 to match the state funds in the Matching Funds Program expansion. The fiscal 1991 Matching Funds program expansion was reduced from $100,000 to $75,000 of license revenues. This reduction, plus the addition of the federal funds, makes the net increase $50,000 for fiscal 1991.

The difference in non-operating expenses reflects: 1) a $20,000 per year increase in the grant to the Department of Livestock; and 2) a $150,000 biennial appropriation for the Saline Seep Control program expansion.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	248.30	248.20	260.20	12.00	248.20	262.20	14.00	11.90
Personal Services	$ 6,351,717	$ 6,722,787	$ 7,373,733	$ 650,946	$ 6,735,172	$ 7,691,716	$ 956,544	16.09
Operating Expenses	10,784,393	5,404,238	5,797,049	392,811	3,296,351	3,553,504	257,153	(46.25)
Equipment	262,449	166,411	177,563	11,152	160,592	175,204	14,612	(32.34)
Non-Operating	2,816,070	3,875,148	5,406,435	1,531,287	612,927	621,986	9,059	91.99
TOTAL EXPENSES	$20,214,629	$16,168,584	$18,754,780	$ 2,586,196	$10,805,042	$12,042,410	$ 1,237,368	(7.22)
FUNDING								
General Fund	$ 3,774,538	$ 2,428,334	$ 4,376,311	$ 1,947,977	$ 2,391,079	$ 4,546,145	$ 2,155,066	15.94
State Special Rev	13,488,045	10,802,262	8,995,075	(1,807,187)	7,244,340	6,167,137	(1,077,203)	(33.31)
Federal Revenue	2,952,046	2,937,988	5,383,394	2,445,406	1,169,623	1,329,128	159,505	82.36
TOTAL FUNDING	$20,214,629	$16,168,584	$18,754,780	$ 2,586,196	$10,805,042	$12,042,410	$ 1,237,368	(7.22)

Program Description: The Department of Natural Resources and Conservation is responsible for the maintenance and enhancement of Montana's land, water, and energy resources. The department's duties include administration of water rights, permits, and records; management of state-owned water projects; dam safety; weather modification permits and licenses; international, interstate, and Indian compact negotiations and agreements; water-related studies and planning; floodplain management; and provision of technical and financial assistance for development of water and other renewable resource projects.

Supervision, assistance, funding, and coordination are provided to local conservation and grazing districts in their stewardship of the soil and water resources necessary to sustain agriculture. Activities include regulation of projects affecting streams, assistance for small watershed projects, soil survey planning, and provision of low-interest loans for rangeland improvement.

Proposed major energy generation, conversion, and transmission facilities are evaluated, and the construction and operation of approved facilities are monitored. Other activities involve petroleum fuels monitoring, special studies concerning energy supplies and demand, and emergency energy planning.

Several programs promote energy conservation, while grants and loans are provided for projects involving renewable energy sources. The production of oil and gas is regulated to prevent waste and environmental damage.

Budget: The increases of 11.90 FTE in fiscal 1990 and 13.90 FTE in fiscal 1991 are caused by 1989 adjustments which are carried forward into the 1991 biennium, and by 1991 biennial program expansions. There are five 1989 adjustments which result in a net decrease of 6.10 FTE. First, in fiscal 1989 the budget contains funding for the deputy director position, and the funding for this position is continued. Second, a 1989 biennial program expansion added 1.00 FTE to the Dam Safety Program in fiscal 1989. This position is continued in the 1991 biennium. Third, 4.00 FTE which were appropriated to administer oil overcharge funds are terminated at the end of fiscal 1989. Fourth, 4.00 FTE added in fiscal 1989 to administer the Underground Injection Program are continued. Fifth, the 8.10 FTE for administering the Montana Facility Siting Act are not included in the 1991 biennial base appropriation. Because the number of positions needed to accomplish facility siting and environmental analysis are dependent upon the number of applications received, the legislature has not budgeted for any specific level of FTE, but has appropriated $1,050,300 per year in contracted services that will cover all potential costs including personal services.

Program expansions increased FTE by 18.00 in fiscal 1990 and 20.00 in fiscal 1991. Table 1 details the program expansions which increase FTE.

Table 1
Department of Natural Resources Program Expansions Which Add FTE

Program Expansions	FTE Fiscal 1990	FTE Fiscal 1991
Reclamation & Development Grants	0.50	0.50
High Hazard Dams	1.00	1.00
Water Rights Records	1.50	1.50
Broadwater Dam	2.00	2.00
Adjudication	7.00	7.00
Reserved Water Rights	5.00	7.00
Rural Economic Development	1.00	1.00
Total FTE	18.00	20.00

The 16.1 percent increase in personal services primarily reflects the personnel in the program expansions, the elimination of vacancy savings, and the pay plan.

The 46.3 percent decrease in operating expenses reflects: 1) the exclusion of expenditures from RIT, water development, and renewable resource grants from the department's operational budget; 2) the addition of $1,650,000 of

trust funds for mitigating the effects of the power transmission line through the Rock Creek Area; and 3) the addition of $996,400 per year of facility siting fees appropriated for the Facility Siting Program. The appropriation of water development, renewable resource, and reclamation and development grants (formerly entitled RIT) for the 1991 biennium are detailed in the "Other Legislation" section, but are not included in the agency summary table.

The non-operating budget increases by 92.0 percent because: 1) a $4,000,000 biennial appropriation of federal funds to reconstruct the Middle Creek Dam was approved; and 2) fiscal 1988 oil overcharge expenditures are not continued in the 1991 biennial budget.

Other Legislation: House Bill 100 and other legislation appropriate interest earnings generated by the Resource Indemnity Trust Fund to the Departments of State Lands, Natural Resources and Conservation, and Health and Environmental Sciences. Table 2 lists the projected 1991 biennium revenues generated by the trust, how the interest is allocated, the appropriations of the revenues, and estimated ending fund balances for each of the five accounts into which trust interest earnings are deposited.

Table 2
1991 Biennium Revenues and Appropriations of the Five State Special Revenue Accounts Which Are Allocated a Percentage of the RIT Interest

Percent of RIT Interest	Water Development (30 Percent)	Renewable Resource (8 Percent)	Reclamation & Development (46 Percent)	Hazardous Waste/CERCLA (12 Percent)	Environmental Contingency Fund (4 Percent)
Beginning Balance	$ 885,876	$ 15,492	$ 55,000	$1,179,886	$ -0-
Revenues					
RIT Interest	$4,376,843*	$1,167,158*	$6,711,159*	$1,750,737*	$583,579*
0.475% Coal Tax	469,346	469,346	-0-	-0-	-0-
Loan Repayments	892,800	191,573	-0-	-0-	-0-
Bond Proceeds Interest	40,000	24,000	-0-	-0-	-0-
Administrative Fees	29,000	-0-	-0-	-0-	-0-
Project Revenues	383,028	-0-	-0-	-0-	-0-
Total Funds Available	$7,076,893	$1,867,569	$6,766,159	$2,930,623	$583,579
Appropriations					
Debt Service	$1,212,912	$ 229,912	$ -0-	$ -0-	$ -0-
HB 100 - DNRC	3,641,271	420,200	2,625,854	-0-	-0-
HB 100 - Reserved Water Rights	-0-	-0-	500,000	-0-	-0-
HB 100 - Water Courts	835,709	-0-	-0-	-0-	-0-
HB 100 - State Lands	-0-	-0-	1,207,316	-0-	-0-
HB 100 - DHES	-0-	-0-	-0-	2,323,659	557,341
HB 329 - Clark Fork Coordinator	100,000	-0-	-0-	-0-	-0-
HB 398 - Genetic Engineering	-0-	160,000	-0-	-0-	-0-
HB 775 - Grants Approved	756,668	1,132,570	-0-	-0-	-0-
HB 776 - Grants Approved	-0-	-0-	2,896,522	-0-	-0-
HB 786 - State Pay Plan	88,347	11,668	78,765	40,090	3,916
Total Appropriations	$6,634,907	$1,954,350	$7,308,457	$2,363,749	$561,257
Ending Balance	$ 441,986	$ (86,781)	$ (542,298)	$ 566,874	$ 22,322

*Based on estimated total interest earnings of $14,764,476 less $175,000 for the Environmental Contingency Fund before allocations are made.

Water Development, Renewable Resource and Reclamation Development Legislation

1. House Bill 329 appropriates $100,000 from the Reclamation and Development Account or the Water Development Account to the Department of Natural Resources for a grant to the Butte-Silver Bow City-County government for the purpose of hiring an Upper Clark Fork River Basin Coordinator. The bill specifies that the appropriation is contingent upon funds being available after all other grants approved from the two accounts are funded. As Table 2 indicates, revenues are not sufficient in the Reclamation and Development Account to cover all appropriations made from it. Therefore, House Bill 329 cannot be funded from the Reclamation and Development Account and is shown in Table 2 as an appropriation from the Water Development Account.

2. House Bill 398 appropriates $160,000 from the Renewable Resource Development Bond Fund to Montana State University for applied genetic engineering technology research and development. The bond fund from which the appropriation is made is dedicated to the repayment of bonds sold by the state to fund loans for renewable resource projects. Funds in excess of that required for debt service are transferred from the bond fund to the Renewable Resource Development Account shown in Table 2. Consequently, House Bill 398 will reduce revenues deposited in the Renewable Resource Account by $160,000. However, it is shown as an appropriation from that account in Table 2, rather than a revenue reduction. This appropriation has priority over all grants from the Renewable Resource Account approved in House Bill 775.

3. House Bill 775 appropriates $756,668 from the Water Development Account and $1,132,570 from the Renewable Resource and Development Account to the Department of Natural Resources and Conservation for funding 13 water development and 21 renewable resource grants. Three loans totaling $376,380 are also approved. General obligation bonds will be sold to fund the loans and loan recipients will repay the full cost of bond retirement. Table 3 lists the grant and loan recipients, the project type and the grant or loan amounts by funding source.

Table 3
House Bill 775
Water Development and Renewable Resource Grants and Loans
1991 Biennium

Grant Recipient	Project	Water Development Grant	Renewable Resource Grant	Renewable Resource Loan
Water Development				
Depart. of Natural Resources & Conserv.	Emergency Projects	$125,000		
Daily Ditch Irrigation District	Republican West Diversion Replacement	100,000		
Private Applicant	Water System Technical Advisor	60,000		
Beaverhead & Mile High Conserv. Dist.	Big Hole River Channel Stabilization	18,400		
Prairie County Conservation District	Watershed Demonstration Management Practices	65,000		
Carbon Conservation District	Rushwater Creek Erosion Control	100,000		
Private Applicant	Wastewater Pond Effluent Irrigation System	25,000		
Carbon Conservation District	Rock Creek Decreed Water Distribution	30,000		
Huntley Project Irrigation District	Main Canal Measuring and Flow Control	44,268		
Dutton	Streambank Stabilization Project	24,500		
Poplar	Water Treatment Facility	50,000		
Park Conservation District	Park Branch Sediment Diversion	30,000		
Sheridan County	Carroll Dam Feasibility Study	84,500		
Renewable Resource				
Gallatin Conservation District	East Gallatin State Recreation Area		$ 100,000	
Flathead Basin Commission	Forest Practices/Water Quality Program		25,000	
Montana State Library	Montana Natural Resource Information System		99,806	
Montana State Library	Montana Water Information System		45,510	
Montana State Library	Montana Natural Heritage Program		99,450	
University of Montana	Management Guidelines/Riparian Site		41,773	
Department of Agriculture	Monitor Agricultural Chemicals in Groundwater		93,550	
Lewis and Clark County	Hydrologic Evaluation, Helena Valley		100,000	
City of Belgrade	Meter Installation/Water Main Replacement		50,000	$150,000
Hysham	Water System Improvement Project		50,000	150,000
Whitefish Water & Sewer District	Swift Creek Clay Banks Stabilization		73,440	
East Glacier Water & Sewer District	Midvale Creek Diversion		40,000	76,380
Yellowstone County	Valley Creek/Calamity Jane Study		10,000	
Department of State Lands	Integrated Forest Resource Information		89,121	
City of Columbia Falls	Water Master Plan Phase II		20,000	
Missoula County	Emergency Response/Aquifer Protection Enhancement		45,000	
MSU Eastern Agricultural Research Center	Ground Water Nitrates Under Irrigable Land		10,700	
DNRC Conservation District Division	Water Reservation Program		32,000	
Green Mountain Conservation District	Fire Hydrants/Trout Creek Water System		18,720	
Lakeside Water District	Stoner Creek Road & Woodacres Main		28,500	
Department of State Lands	Pilot Urban Forestry Project		60,000	
Total		$756,668	$1,132,570	$376,380

The grants in House Bill 775 are listed in priority order. If revenues are insufficient to fund all grants, grants of lower priority will not be awarded. While Table 2 shows that the Renewable Resource Account will be overexpended by $86,785 if all grants are awarded, thereby preventing the awarding of grants of lower priority, language was inserted in House Bill 775 permitting the department to transfer grants for water development projects from the Renewable Resource Account to the Water Development Account which has funds available. If the department exercises this option, and if revenues actually meet projections, all grants approved in House Bill 775 could be funded.

4. House Bill 776 appropriates $2,896,522 to the Department of Natural Resources and Conservation from the Reclamation and Development Account for funding 15 grants. Table 4 lists the grant recipients, the projects, and the amount of each grant.

Table 4
House Bill 776
Reclamation and Development Grants
1991 Biennium

Grant Recipients	Projects	Reclamation & Development
Lewis and Clark County Conservation District	Blackfoot River Abandoned Mines	$ 300,000
Department of State Lands	Elkhorn Creek Water Quality Improvement Project	300,000
Department of State Lands	Wood Chute Creek Basin Water Quality Improvements	300,000
Montana State University	Fate of Cyanide in Soils and Heap-Leach Solutions	140,243
Montana Bureau of Mines and Geology	Land Application of Cyanide Leach Solutions	91,161
Montana Salinity Control Association	Nonpoint Source Salinity Control Program	200,000
Department of Health and Environmental Sciences	Pesticide Contamination Cleanup in Montana	150,000
Butte-Silver Bow Government	Public Lands Reclamation Project	120,800
Toole County	North Toole County Reclamation Project	299,040
Montana State Library	Montana Natural Heritage Program	197,607
Department of State Lands	Middle Fork Warm Springs Creek Reclamation Project	150,000
Montana Bureau of Mines and Geology	Reducing Heavy Metal with Natural Zeolites	149,238
City of Kalispell	Lawrence Park Slope Stabilization and Reclamation	170,260
Montana Board of Oil and Gas Conservation	Clean and Plug Broadview Well	65,600
DNRC Conservation Districts Division	Nonpoint Source Pollution Control in Montana	262,573
Total Grants		$2,896,522

Grants in House Bill 776 are also listed in priority order. If funds are insufficient to award all grants, grants of lower priority will not be awarded. If for any reason higher priority grants cannot be awarded, funding allocated for those grants is available for grants of lower priority which would otherwise not be funded. The legislature approved

several grants in excess of the estimated revenue available to assure that if this occurs, adequate grants will be approved to utilize all funding available during the 1991 biennium.

5. House Bill 778 authorizes 14 water development loans totalling $20,519,784 and reauthorizes five loans totalling $9,711,170 which were authorized by the 1987 legislature. Funding for these loans is generated by the sale of bonds backed by the coal severance tax dedicated to the Permanent Constitutional Coal Trust. Table 5 lists the loan recipients, the project, the loan terms, and the loan amounts.

Table 5
House Bill 778
Water Development Loans From Coal Severance Tax Bond Proceeds
1991 Biennium

Recipients	Projects	Loan Terms	New Loans	Reauthorized Loans
New Loans				
East Bench Irrigation Dist.	Gravity Sprinkler Irrigation No. 3	Interest at 4% for a term of 30 years	$ 431,000	
Lake Co./Big Arm Sewer Dist.	Big Arm Sewer	3% Subsidy for 5 Years, at Bond Rate for 15 Years	2,283,893	
Somers Co. Water & Sewer Dist.	Somers Sewer	3% Subsidy for 5 Years, at Bond Rate for 15 Years	3,151,960	
City of Bozeman	Lyman Creek Water System Improvement	2% Subsidy for 5 Years, at Bond Rate for 15 Years	386,893	
City of Glendive	Water Treatment Plant	2% Subsidy for 5 Years, at Bond Rate for 15 Years	4,075,000	
Noxon	Water System Improvement Phase I	2% Subsidy for 5 Years, at Bond Rate for 15 Years	222,550	
City of Whitefish	Water Treatment and Distribution	2% Subsidy for 5 Years, at Bond Rate for 15 Years	6,035,800	
Wibaux	Water Storage/Transmission Line	2% Subsidy for 5 Years, at Bond Rate for 15 Years	250,000	
Sun Prairie Village	Water and Sewer System Improvements	2% Subsidy for 5 Years, at Bond Rate for 15 Years	584,014	
Fairview	Water Treatment Facility Improvements	1% Subsidy for 5 Years, at Bond Rate for 15 Years	258,250	
City of Miles City	Water Treatment/Presedimentation Basin	1% Subsidy for 5 Years, at Bond Rate for 15 Years	1,532,910	
Park Co. Water Dist./Gardiner	Jardine Pressure Zone Improvements	1% Subsidy for 5 Years, at Bond Rate for 15 Years	360,500	
Browning	Sewage Treatment Facility Improvements	No Interest Subsidy, 20-Year Loan	447,014	
Anaconda/Deer Lodge County	Wastewater Treatment Effluent Disposal	No Interest Subsidy, 20-Year Loan	500,000	
Reauthorized Loans				
Dept. of Natural Resources	Middle Creek Dam Rehabilitation	No Interest Subsidy, 20-Year Loan		$5,100,000
Dutton	Water Supply Construction	4% Subsidy for 5 Years, at Bond Rate for 15 Years		150,000
Evergreen Water & Sewer Dist.	Wastewater Facilities	3% Subsidy for 5 Years, at Bond Rate for 15 Years		3,226,900
East Glacier	Water System	2% Subsidy for 5 Years, at Bond Rate for 15 Years		484,270
Pondera Conservation Dist.	Irrigation System Rehabilitation	2% Subsidy for 5 Years, at Bond Rate for 15 Years		750,000
Total Loans			$20,519,784	$9,711,170

Subsidies for water development loans are funded by revenues from the coal severance tax which would otherwise be deposited in the Constitutional Trust. Most loan recipients receive an interest subsidy for the first five years only of

the repayment period as indicated in the "Loan Terms" column of Table 5. However, because of the methodology used by the department when the loans are made, the state will continue to subsidize those loans over the life of the 20-year bonds. Table 6 lists the Department of Natural Resources and Conservations' estimated dollar value of the subsidies for each new loan authorized for the 1991 biennium.

Table 6
1989 Water Development Loan Subsidy Cost to Coal Severance Tax

Year	Big Arm	Somers	Noxon	Bozeman	Glendive	Whitefish	Wibaux	Sun Prairie	Fairview	Miles City	Gardiner	East Bench	Total
1	$ 47,880	$ 66,078	$ 12,452	$ 5,516	$ 58,093	$ 86,046	$ 3,564	$ 8,326	$ 1,876	$11,134	$ 2,618	$ 13,130	$ 316,713
2	47,880	66,078	12,452	5,516	58,093	86,046	3,564	8,326	1,876	11,134	2,618	13,130	316,713
3	47,880	66,078	12,452	5,516	58,093	86,046	3,564	8,326	1,876	11,134	2,618	13,130	316,713
4	47,880	66,078	12,452	5,516	58,093	86,046	3,564	8,326	1,876	11,134	2,618	13,130	316,713
5	47,880	66,078	12,452	5,516	58,093	86,046	3,564	8,326	1,876	11,134	2,618	13,130	316,713
6	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
7	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
8	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
9	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
10	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
11	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
12	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
13	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
14	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
15	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
16	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
17	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
18	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
19	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
20	10,555	14,567	2,745	1,153	12,149	17,995	745	1,741	372	2,209	519	13,130	77,880
Total	$397,725	$548,895	$103,435	$44,875	$472,700	$700,155	$28,995	$67,745	$14,960	$88,805	$20,875	$262,600	$2,751,765

Table 6 shows that over the term of the new loans authorized by the 1989 legislature, the trust balance will be reduced by $2.75 million to fund the subsidies provided to loan recipients.

6. House Bill 786 appropriates general fund monies for state employee salary increases and increases expenditure authority for non-general fund accounts for the same purpose. To the extent that the accounts in which Resource Indemnity Trust interest is deposited fund employee salaries, those accounts will pay salary increases. The Office of Budget and Program Planning will increase the expenditure authority in these accounts to cover the higher salaries.

Difference From Executive: The legislature eliminated the allocation of coal severance tax revenues to the Alternative Energy Conservation Research Development and Demonstration Account. The executive budget had proposed that the alternative energy account be used to fund a portion of four department programs. Because the legislature eliminated the coal severance tax allocation, the alternative energy funds to support the Energy, Water Resources, Conservation Districts, and Centralized Services divisions were reduced and like amounts of general fund were increased. Table 7 details the executive's recommended use of alternative energy funds and the legislative appropriations.

Table 7
Alternative Energy Fund Comparison Between the
Executive Recommendation and the Legislative Appropriations

	Executive Recommendation		Legislative Appropriations	
Divisions	Fiscal 1990	Fiscal 1991	Fiscal 1990	Fiscal 1991
Energy Division	$ 628,916	$ 633,908	$165,025	$163,603
Water Resources	908,048	1,018,844	-0-	-0-
Conservation District	340	9,000	-0-	-0-
Centralized Services	42,946	40,106	18,153	17,996
Total Funds	$1,580,250	$1,701,858	$183,178	$181,599

The legislature used different amounts of water development funds and reclamation and development funds than were recommended by the executive. Because the legislature used different amounts of water development and reclamation and development funds, the general fund in some divisions was increased or decreased correspondingly. Table 8 details the executive recommended use of water development funds and the legislative appropriations.

Table 8
Water Development Fund Comparison Between the
Executive Recommendation and the Legislative Appropriations

Division	Executive Recommendation		Legislative Appropriations	
	Fiscal 1990	Fiscal 1991	Fiscal 1990	Fiscal 1991
Water Resources	$2,442,229	$1,407,650	$2,189,513	$1,228,450
Centralized Services	118,000	117,500	140,000	140,500
Total Funds	$2,560,229	$1,525,150	$2,329,513	$1,368,950

Table 9 details the executive recommended use of reclamation and development funds and the legislative appropriations.

Table 9
Reclamation and Development Fund Comparison Between the
Executive Recommendation and the Legislative Appropriations

Division	Executive Recommendation		Legislative Appropriations	
	Fiscal 1990	Fiscal 1991	Fiscal 1990	Fiscal 1991
Water Resources	$ 734,600	$ 736,125	$ 813,179	$ 824,110
Conservation District	373,176	372,952	389,148	393,040
Reserved Water Rights	108,074	108,316	227,075	281,018
Centralized Services	107,950	106,650	123,700	123,800
Total Funds	$1,323,800	$1,324,043	$1,553,102	$1,621,968

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: CENTRALIZED SERVICES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	41.00	39.00	39.00	0.00	39.00	39.00	0.00	(2.00)
Personal Services	$1,080,328	$1,131,762	$1,193,339	$ 61,577	$1,133,999	$1,235,505	$101,506	10.46
Operating Expenses	379,659	433,607	430,374	(3,233)	396,591	393,506	(3,085)	13.36
Equipment	20,329	8,236	8,443	207	4,907	5,214	307	(58.47)
Non-Operating	23,143	10,417	10,417	0	10,417	10,417	0	(54.99)
TOTAL EXPENSES	$1,503,459	$1,584,022	$1,642,573	$ 58,551	$1,545,914	$1,644,642	$ 98,728	9.25
FUNDING								
General Fund	$ 981,708	$1,111,126	$1,216,247	$105,121	$1,112,688	$1,225,428	$112,740	23.89
State Special Rev	346,425	383,396	398,326	14,930	377,976	400,214	22,238	14.98
Federal Revenue	175,326	89,500	28,000	(61,500)	55,250	19,000	(36,250)	(84.03)
TOTAL FUNDING	$1,503,459	$1,584,022	$1,642,573	$ 58,551	$1,545,914	$1,644,642	$ 98,728	9.25

Program Description: The Centralized Services Division provides managerial, legal, and administrative support services for the department. The division is responsible for budgeting, accounting, purchasing, data processing, publications, and inventory support. Also included in the division's budget is the funding for the Board of Natural Resources and Conservation.

Budget: The budget reflects a net reduction of 2.00 FTE. The reduction is caused by: 1) the transfer of 3.00 FTE to other divisions (1.00 FTE to Energy Division, 1.00 FTE to Conservation Districts Division, and 1.00 FTE to Water Resources Division); and 2) the deputy director's position, which is not included in the fiscal 1988 budget but is added in the 1991 biennial budget.

Personal services is increased by 10.5 percent. In fiscal 1988, this division had a 9.1 percent vacancy savings rate. For the 1991 biennium, a 0 percent vacancy savings rate was applied. The budget also includes a $2,237 per year increase from fiscal 1988 for Board of Natural Resources and Conservation per diem. In fiscal 1988, the board had four meetings. The budget includes funding for seven meetings.

Operating expenses increase 13.4 percent, primarily for eleven reasons. First, $6,878 per year transferred from the other divisions for board legal expenses. In fiscal 1988, the board's legal expenses were financed in other divisions.

The legal expenses have been consolidated in this division. Second, board travel increased $2,945 per year to accommodate the increased number of board meetings. Third, insurance decreased by $5,374 in fiscal 1990 and $4,625 in fiscal 1991. Fourth, legislative audit costs increased $5,040 in fiscal 1990. The 1989 biennial appropriation for legislative audit costs was partially expended in fiscal 1988 ($1,067) and the remainder ($29,866) added to the fiscal 1989 appropriation. Fifth, contracted services are reduced $7,505 per year. Sixth, rent increased $16,644 in fiscal 1990 and $17,454 in fiscal 1991. Seventh, computer software rental was reduced $3,080 per year. Eighth, computer maintenance was reduced $8,600 per year. Ninth, ground maintenance increased $3,800 per year. Tenth, statewide indirect costs increased $2,600 per year. Eleventh, other inflationary adjustments adjusted the budget slightly.

Funding: The budget includes funding from most of the department's state special revenue and federal accounts. The following rates were generally applied to state special revenue accounts with some minor exceptions: a 6 percent overhead rate to those accounts which support personnel only and an 11 percent overhead rate to those accounts which support personnel and grants. Table 10 details the percentage of overhead used for each revenue account and the amount of revenue from each account used to finance the Centralized Services Division.

Table 10
Centralized Services Funding

Fund Source	Percentage 1990	Percentage 1991	Fiscal 1990	Fiscal 1991
Rangeland[1]	11	11	$ 9,000	$ 9,000
Major Facility Siting	15	9	10,000	10,000
Water Rights	6	6	4,500	4,500
Grazing Fees	6	6	500	500
Conservation District[2]	6	6	6,000	5,220
Alternative Energy	11	11	18,153	17,996
Oil and Gas	6	6	71,635	73,478
Renewable Resources	11	11	14,838	15,220
Water Development[3]	11	11	140,000	140,500
Reclamation and Development	11	11	123,700	123,800
Oil Overcharge	15	9	28,000	19,000
General Fund Centralized Services Division	N/A	N/A	1,196,028	1,205,209
General Fund Natural Resources and Conservation Board	100	100	20,219	20,219
Total			$1,642,573	$1,644,642

[1] Six percent applied to the rangeland and improvement loans.
[2] Six percent applied to amount requested for conservation district grants.
[3] Calculation does not include the $775,000 appropriation for state water projects.

Difference From Executive: The use of a zero percent vacancy savings factor adds $23,100 per year, while the pay plan adds $37,018 in fiscal 1990 and $76,901 in fiscal 1991 to the executive recommendation. The legislature also added $1,500 per year for the Board of Natural Resources and Conservation.

The legislature de-earmarked the federal indirect income. This de-earmarking reduced the federal revenues by $61,500 in fiscal 1990 and $36,300 in fiscal 1991 and increased general fund by like amounts. The de-earmarking of federal indirect revenues means the federal funds will be deposited into the general fund. Other funding adjustments are caused by the funding shifts detailed in the department-wide issues.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: OIL AND GAS CONSERVATION DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	22.00	26.00	26.00	0.00	26.00	26.00	0.00	4.00
Personal Services	$517,617	$ 664,509	$ 707,082	$ 42,573	$ 665,550	$ 732,407	$ 66,857	36.60
Operating Expenses	208,330	359,574	467,786	108,212	360,731	468,114	107,383	124.54
Equipment	61,618	56,742	56,742	0	49,975	49,975	0	(7.91)
Non-Operating	3,169	1,227	1,227	0	1,227	1,227	0	(61.28)
TOTAL EXPENSES	$790,734	$1,082,052	$1,232,837	$150,785	$1,077,483	$1,251,723	$174,240	55.91
FUNDING								
State Special Rev	$790,734	$1,082,052	$1,122,837	$ 40,785	$1,077,483	$1,141,723	$ 64,240	42.00
Federal Revenue	0	0	110,000	110,000	0	110,000	110,000	0.00
TOTAL FUNDING	$790,734	$1,082,052	$1,232,837	$150,785	$1,077,483	$1,251,723	$174,240	55.91

Program Description: The Oil and Gas Conservation Division is responsible for preventing waste and providing for the conservation of crude oil and natural gas through regulation of exploration and production activities including: 1) issuance of drilling permits; 2) classification of wells; 3) establishment of well spacing units and pooling orders; 4) inspection of drilling, production, and seismic operations; 5) investigation of complaints; 6) engineering studies; and 7) collection and maintenance of complete well data and production information. In 1987, the Underground Injection Control Program was added to this division.

Legislative Intent: The following language section was included:

> The Board of Oil and Gas Conservation is appropriated $110,000 per year from federal special revenues contingent upon receiving federal funds from the Environmental Protection Agency for the Underground Injection Control Program.

Budget: The 4.00 FTE increase from fiscal 1988 reflects the four new positions from the Underground Injection Control Program which were added in fiscal 1989.

The 36.6 percent increase in personal services reflects the continuation of the 4.00 FTE for the Underground Injection Control Program (UIC) and $60,000 per year for 3.00 FTE which were vacant in fiscal 1988. Included in the

Underground Injection Control Program budget is $4,500 in fiscal 1990 and $3,000 in fiscal 1991 for additional Board of Oil and Gas public hearings. The hearings are anticipated for the adoption of administrative rules for the UIC Program. The UIC Program's personal services increases $1,200 in fiscal 1990 and $1,800 in fiscal 1991 for overtime.

The 124.5 percent increase in operating expenses reflects the inclusion of the Underground Injection Control Program in the budget. Operating expenses for the program are budgeted at $149,300 in fiscal 1990 and $152,600 in fiscal 1991. Eliminated from operating expenses are $20,500 of consulting services and $13,600 of one-time microfilm costs. Other operating expense increases are: 1) a $6,302 per year increase for rent; 2) a $7,000 per year increase related to administrative rules; 3) a $6,800 per year increase for private legal counsel; 4) a $22,400 per year increase for operating expenses associated with full staffing of the division; and 5) the $110,000 per year of federal funds for the Underground Injection Control Program.

Equipment recommended for fiscal 1990 is $30,148 to replace two field vehicles in oil and gas regulation and $15,074 to purchase one new field vehicle in the UIC Program, $2,160 for UIC Program's filing cabinets and calculators needed for start-up, $2,400 for UIC Program's engineering equipment, $4,000 for UIC Program's computer and printer, $2,550 for UIC Program's software, and $410 for division computer software. The fiscal 1991 equipment includes $31,052 for two vehicles, $16,363 for office equipment including filing cabinets and replacement of an old microfiche reader printer, and a photocopy machine in the Shelby office, and $2,560 for software.

Funding: The main sources of revenue for the Oil and Gas Conservation Division are user fees and the 0.2 percent tax on oil and gas produced in Montana. The 0.2 percent tax is set by the Board of Oil and Gas at the statutory maximum that can be levied. The second main source of income will be annual permit fees for underground injection wells. The board has not yet set the fee level, but it is presumed it will be between $200 and $300 per injection well. At $200 per well, the fee is estimated to generate $280,000 per year. Table 11 details the four-year cash flow analysis of the Oil and Gas Conservation Account for the 1989 and 1991 bienniums.

Table 11
Four-Year Analysis of the Oil and Gas Conservation Account

	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991
Beginning Balance	$ 338,123	$ 472,590	$ 306,686	$ 355,643
Revenues				
Underground Injection Permits	$ -0-	$ -0-	$ 280,000	$ 280,000
Oil and Gas Well Tax (0.2%)	929,284	927,000	925,000	925,000
Interest	29,066	50,000	25,000	25,000
Other	40,410	40,000	38,000	38,000
Total Funds Available	$1,336,883	$1,489,590	$1,574,686	$1,623,643
Disbursements				
Centralized Services	$ 70,000	$ 70,000	$ 71,635	$ 73,478
Oil and Gas Program	770,283	1,088,894	1,122,837	1,141,723
Department of Revenue	24,010	24,010	24,571	25,173
Total Disbursements	$ 864,293	$1,182,904	$1,219,043	$1,240,374
Ending Balance	$ 472,590	$ 306,686	$ 355,643	$ 383,269

Other Legislation:

House Bill 143 creates an Oil and Gas Production Mitigation Account to be administered by the Board of Oil and Gas Conservation. The bill allocates $50,000 per year of RIT interest to the Oil and Gas Production Damage Mitigation Account. The bill provides a statutory appropriation which allows the board to use the funds in the mitigation account for reclamation related to land, water, or wildlife resources disturbed by abandoned oil and gas wells, injection wells, sumps, and seismographic shot holes.

Difference From Executive: The use of a zero percent vacancy savings factor adds $13,400 per year, while the pay plan adds $23,461 in fiscal 1990 and $48,653 in fiscal 1991 to the executive recommendation. The legislature also added $5,700 in fiscal 1990 and $4,800 in fiscal 1991 for overtime and employee benefit costs which were inadvertently omitted in the executive recommendation.

Operating expenses increase approximately $110,000 per year because of federal funds available for the Underground Injection Control Program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: CONSERVATION DISTRICTS DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	6.20	6.20	7.20	1.00	6.20	7.20	1.00	1.00
Personal Services	$145,567	$160,720	$207,987	$ 47,267	$160,883	$214,947	$ 54,064	42.88
Operating Expenses	117,433	124,577	163,502	38,925	124,178	163,781	39,603	39.23
Equipment	3,685	839	4,839	4,000	9,511	12,161	2,650	31.32
Non-Operating	408,152	260,980	291,267	30,287	248,760	281,819	33,059	(28.64)
TOTAL EXPENSES	$674,837	$547,116	$667,595	$120,479	$543,332	$672,708	$129,376	(1.07)
FUNDING								
General Fund	$ 0	$ 0	$ 65,084	$ 65,084	$ 0	$ 75,184	$ 75,184	0.00
State Special Rev	582,712	542,116	559,343	17,227	538,332	553,851	15,519	(4.01)
Federal Revenue	92,125	5,000	43,168	38,168	5,000	43,673	38,673	(53.14)
TOTAL FUNDING	$674,837	$547,116	$667,595	$120,479	$543,332	$672,708	$129,376	(1.07)

Program Description: The Conservation Districts Division provides supervision, assistance, and coordination to the 59 conservation districts in the state. The primary responsibility of the division is to work with the local districts toward developing and implementing plans for proper management of land and water resources. Three advisory committees are administratively attached to the Conservation District Division: 1) the Resource Conservation Advisory Committee; 2) the Soil Survey Advisory Committee; and 3) the Rangeland Resources Committee. The legislature also created a new Rural Economic Development Program within the division. The program is to fund a community economic development project in six central Montana counties.

Legislative Intent: The following language sections are included in the bill:

The department is authorized up to $700,000 from the account established in Section 76-14-112, MCA, for rangeland loans during the 1991 biennium.

Any funds reverted from unexpended coal severance tax grant funds and any additional funds made available as a result of revenues exceeding current estimates are authorized for distribution as grants to conservation districts as specified in Section 76-15-530, MCA.

The second language section permits the department to expend more than the $95,537 of coal severance tax funds appropriated in fiscal 1990 and more than the $86,089 appropriated in fiscal 1991 if: 1) there are coal severance tax funds reverted from prior years' grants; or 2) the revenue from the coal severance tax is greater than revenue estimates which were used to develop the appropriation bill.

Budget: The 1.00 FTE increase in personal services reflects: 1) the elimination of 1.00 FTE appropriated in fiscal 1988 to administer the $500,000 of oil overcharge funds appropriated to the division for grants to conservation districts; 2) the transfer of 1.00 FTE from the Centralized Services Division to work on the Conservation Reserve Program, the Nonpoint Source Pollution Control Program, and other priority activities; and 3) 1.00 FTE added to administer the Rural Economic Development Program. The oil overcharge position terminates at the end of fiscal 1989.

The 42.9 percent increase in personal services is a result of FTE changes cited above, plus in fiscal 1988 the division experienced a 15 percent vacancy savings. In the 1991 biennium, all the positions are fully funded and no vacancy savings factor has been applied.

The 39.2 percent increase in operating expenses reflects a $1,018 per year reduction in computer maintenance; a $4,078 per year increase in travel and other operating expenses to compensate for a position which was vacant a portion of fiscal 1988; and $39,100 in fiscal 1990 and $40,150 in fiscal 1991 for the Rural Economic Development Program.

The 31.3 percent increase in equipment reflects the purchase of a vehicle in fiscal 1991 and various office and computer equipment for the biennium, and $4,000 in fiscal 1990 and $3,000 in fiscal 1991 for the Rural Economic Development Program.

The non-operating budget decreases by 28.6 percent. The major decrease is the elimination of the $500,000 biennial appropriation of oil overcharge funds. The funds were appropriated for grants to conservation districts for the Energy Conservation Program. Also, coal tax revenues for soil and water conservation projects in conservation districts are lower by $23,539 in fiscal 1990 and $32,987 in fiscal 1991. The reduction results from projected coal tax revenues in the 1991 biennium being less than fiscal 1988. The Saline Seep Grant was increased from $71,250 per year to $100,000 per year. Table 12 details the non-operating budget.

Table 12
Funding for the Conservation District Division Non-Operating - 1991 Biennium

Program	Funding Source	Fiscal 1990	Fiscal 1991
Conservation District Subsidy	Reclamation & Development	$ 95,000	$ 95,000
Saline Seep	Reclamation & Development	100,000	100,000
Conservation District Grants	Coal Tax	95,537	86,089
Computer Lease/Purchase Payment	General Fund	730	730
Total		$291,267	$281,819

Program Expansion: Table 13 details the program expansions approved for the division.

Table 13
Conservation Division Program Expansion

	Fiscal 1990			Fiscal 1991		
	FTE	General Fund	Total	FTE	General Fund	Total
1. Rural Economic Development	1.00	$ -0-	$ 78,150	1.00	$ -0-	$ 78,150
2. Saline Seep	0.00	-0-	28,750	0.00	-0-	28,750
Total	1.00	$ -0-	$106,900	1.00	$ -0-	$106,900

1. The Rural Economic Development program expansion finances a full-time coordinator to: 1) organize economic development related meetings between local groups; 2) seek technical help and maintain working relationships with state and federal economic development programs and agencies; and 3) work on funding sources and follow-up work for individual economic development projects. The main focus of this position will be to work with six counties in central Montana. The program will be funded by $38,150 of Reclamation and Development Account funds per year and $40,000 per year of federal funds.

2. The Saline Seep program expansion reflects a $28,750 per year increase in the grant to the Montana Salinity Control Association. The increase makes the total grant $100,000 per year. The grant is funded with Reclamation and Development Account funds.

Funding: General fund, Grazing District, and Reclamation and Development Account funds are appropriated to fund the division's administration. The saline seep grants, the Rural Economic Development Program, and the conservation district subsidy are financed by Reclamation and Development Account funds. Conservation district projects are financed by 0.19 percent of the coal severance tax. Renewable resources development funds are allocated to conservation districts for development of water reservations. For the 1991 biennium, the appropriation from the renewable resource development fund is $65,600 per year. The budget includes $3,000 per year of rangeland improvement loan funds for the administration of the loan program.

Difference From Executive: The Rural Economic Development program expansion adds 1.00 FTE and $78,150 per year.

The use of a zero percent vacancy savings factor adds $3,300 per year, while the pay plan adds $6,312 in fiscal 1990 and $13,106 in fiscal 1991 to the executive recommendation.

The Saline Seep program expansion adds $28,750 per year to the executive recommendation.

The increase in general fund reflects the funding shifts described in the department-wide differences.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION — PROGRAM: RESERVED WATER RIGHTS COMPACT COMMISSION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	6.00	6.00	11.00	5.00	6.00	13.00	7.00	5.00
Personal Services	$145,268	$161,482	$298,863	$137,381	$161,849	$363,717	$201,868	105.73
Operating Expenses	37,395	44,595	59,844	15,249	44,713	59,962	15,249	60.03
Equipment	11,592	9,060	15,460	6,400	9,060	15,460	6,400	33.37
Non-Operating	29,416	995	20,995	20,000	995	20,995	20,000	(28.63)
TOTAL EXPENSES	$223,671	$216,132	$395,162	$179,030	$216,617	$460,134	$243,517	76.67
FUNDING								
General Fund	$111,838	$108,058	$168,087	$ 60,029	$108,301	$179,116	$ 70,815	50.30
State Special Rev	111,833	108,074	227,075	119,001	108,316	281,018	172,702	103.05
TOTAL FUNDING	$223,671	$216,132	$395,162	$179,030	$216,617	$460,134	$243,517	76.67

Program Description: The Reserved Water Rights Compact Commission is responsible for negotiating water rights agreements with federal agencies and Indian tribes which own reserved water rights in Montana.

Budget: For the 1991, biennium the Reserved Water Rights Compact Commission's budget has been separated from the Water Resources Division budget. Total expenses increased 76.7 percent and FTE increased by 5.00 in fiscal 1990 and 7.00 FTE in fiscal 1991 due to the program expansion described in the next section. Personal services for the 6.00 current level FTE increased by $11,600 to reflect full funding of all positions. In fiscal 1988, a remote sensing specialist position was vacant 60 percent of the year. Non-operating expenses in fiscal 1988 reflect the commission's share of the department's purchase of a new computer system. Because the system is purchased there is a $28,500 reduction from fiscal 1988 expenditures to fiscal 1990 budget.

Program Expansion: The compact commission's budget has been increased by $177,649 and 5.00 FTE in fiscal 1990 and $228,626 and 7.00 FTE in fiscal 1991. The expansion is to allow the staff of the commission to conduct the technical work necessary to support the negotiation with an additional Indian Reservation. The current staff has the ability to research and develop the state's position concerning reserved water rights with one federal agency and one Indian Reservation.

The 5.00 new FTE to be added in fiscal 1990 are an attorney, a remote sensing specialist, an economist, a soil scientist, and a secretary. In fiscal 1991, a civil engineer and a hydrologist will be added.

The budget also includes increases $25,000 per year in additional operating costs associated with the additional staff, $6,400 per year for satellite images, and $20,000 per year for the lease/purchase of computer equipment.

Currently the commission is negotiating the reserved water right of the Fort Belknap Reservation. Other Indian reservations have expressed an interest in negotiating their reserved water rights. The expansion would permit the commission the ability to negotiate with additional reservations.

Funding: The legislature has appropriated $508,093 of Reclamation and Development Account funds for the biennium to finance the operations of the compact commission. The remaining operational expenses are financed by the general fund.

Difference From Executive: The program expansion adds 5.00 FTE and $166,500 in fiscal 1990 and 7.00 FTE and $217,400 in fiscal 1991. The use of a zero percent vacancy savings factor adds $3,200 per year while the pay plan adds $9,368 in fiscal 1990 and $22,870 in fiscal 1991 to the executive recommendation.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION — PROGRAM: WATER RESOURCES DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	123.00	131.00	137.00	6.00	131.00	137.00	6.00	14.00
Personal Services	$ 3,275,840	$3,503,899	$ 3,807,852	$ 303,953	$3,510,304	$3,945,659	$ 435,355	16.24
Operating Expenses	9,396,469	1,416,945	1,513,747	96,802	1,031,249	1,137,309	106,060	(83.89)
Equipment	144,864	76,362	76,632	270	75,210	79,690	4,480	(47.10)
Non-Operating	1,055,591	821,590	4,821,590	4,000,000	90,590	46,590	(44,000)	356.77
TOTAL EXPENSES	$13,872,764	$5,818,796	$10,219,821	$4,401,025	$4,707,353	$5,209,248	$ 501,895	(26.33)
FUNDING								
General Fund	$ 2,245,843	$1,209,150	$ 2,441,628	$1,232,478	$1,170,090	$2,552,845	$1,382,755	8.72
State Special Rev	11,305,284	4,517,646	3,685,661	(831,985)	3,487,263	2,604,111	(883,152)	(67.40)
Federal Revenues	321,637	92,000	4,092,532	4,000,532	50,000	52,292	2,292	1172.41
TOTAL FUNDING	$13,872,764	$5,818,796	$10,219,821	$4,401,025	$4,707,353	$5,209,248	$ 501,895	(26.33)

Program Description: The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. These programs include the following:

Water Rights Program - Responsible for carrying out Article IX of the Montana Constitution and the Montana Water Use Act, which provides that any use of the state's waters is a public use, and that waters in the state are the property of the state, for the use of the people, and are subject to appropriations for beneficial use.

Water Adjudication Program - Responsible for the protection and confirmation of all rights to the use of any waters for any useful or beneficial purpose that existed prior to July 1, 1973, the effective date of the Montana Water Use Act.

State Water Projects - Responsible for providing engineering assistance to state water user associations and promoting safety and economic stability of state-owned water projects through professional engineering services.

Water Management Program - Responsible for providing technical information and assistance on hydrology, geohydrology, geology, and soils to water users and units of government and for the collection, compilation, and analysis of water and related land resources data, projection of future water requirements, and formulation of plans, alternatives, and methods of implementation to enable full utilization of these resources within the state.

Water Development Program - Responsible for administration of the state's Water Development, Reclamation and Development, and Renewable Resource Development programs to allow full economic and social benefits from the state's water and other renewable resources.

Water Well Program - Responsible for monitoring the competence of water well drillers and contractors, and preventing the waste and contamination of ground water resources.

Dam Safety Program - Responsible for ensuring the safety of high-hazard nonfederal dams of 50 acre-feet or more by regulating construction, operation, and maintenance.

Floodplain Management Program - Responsible for determining the floodways and one hundred-year floodplain boundaries for every watercourse and drainway in the state. Concurrent with this primary function is the management and regulation of flood-prone lands to prevent or alleviate flood threats to life and property.

Legislative Intent: The legislature has included language that if federal funds to buy television air time for floodplain information do not become available, then the department is not to televise floodplain information. The legislature also included language which would authorize the department an additional $4,000,000 of federal spending authority if a federal loan for Middle Creek Dam becomes available.

Budget: The 14.00 FTE increase reflects the following adjustments. First, a 0.50 FTE was transferred in from Centralized Services Division. Second, a 0.50 FTE was added to the division. The added position, plus the 0.50 FTE transferred from Centralized Services, are to work on the state water plan. The added 0.50 position was originally identified as a reprioritized position within the department. But since the 0.50 FTE which was eliminated in the reprioritization has been reappropriated in the water adjudication program expansion, the 0.50 FTE is a net increase to the department. Third, 1.00 FTE added in fiscal 1989 for the Dam Safety Program had been continued in the 1991 biennium. Fourth, 12.00 FTE are added in program expansions. The 16.2 percent increase in personal services reflects the changes in FTE.

The 83.9 percent reduction in operating expenses primarily reflects nine factors in addition to program expansions. First, fiscal 1988 expenditures include $8,275,053 of appropriations made in accordance with House Bill 6 and House Bill 7. House Bill 6 appropriated $3,740,961 of resource indemnity trust (RIT) interest for 27 grant projects, and House Bill 7 appropriated $3,198,487 of water development and renewable resource funds in the form of grants and authorized $25,168,650 for the Broadwater Dam hydroelectrification.

Second, in fiscal 1988, the legislature made an $800,000 biennial appropriation for state water projects in the non-operating category. The division expended $250,641 of the appropriation in operating expense items. Third, $4,400 per year of legal costs were transferred to the Board of Natural Resources and Conservation budget. Fourth, $11,488 expended to monitor water quality on the Poplar River and $4,100 expended on water rights negotiations with Wyoming on the Powder River were not included in the budget. Fifth, the dues for the Missouri River Basin Water Association were reduced by $8,500 per year because of reduced activity by Montana in the association. Sixth, a $36,000 per year increase was included for consultants to advise the state on developing operating, maintenance, and emergency warning plans for state-owned dams. Seventh, a $5,600 per year increase of federal funds was included to buy television time

for a video on floodplains. Eighth, a $27,968 per year general fund increase was included to print water adjudication decrees. Ninth, a $17,500 per year increase in operating expenses associated with the state water plan was included. The remaining operating expense increases are caused by program expansions.

Included in non-operating expenses is $775,000 in fiscal 1990 for biennial maintenance expenses on state water projects. The non-operating expenses also include $32,687 annually for debt service payments, $13,903 a year for the lease/purchase of the department computer system, and a $4,000,000 biennial appropriation of federal funds for the rehabilitation of Middle Creek Dam.

Program Expansion: Table 14 contains the six program expansions approved by the legislature.

Table 14
Water Resources Division

Expansion	FTE	Fiscal 1990 General Fund	Fiscal 1990 Total	Fiscal 1991 General Fund	Fiscal 1991 Total
1. Reclamation and Develop. Grant Admin.	0.50	$ -0-	$ 15,726	$ -0-	$ 15,727
2. High-Hazard Dams	1.00	-0-	40,000	-0-	40,000
3. Broadwater Dam	2.00	-0-	300,000	-0-	300,000
4. Missouri River Reservation*	3.00	81,428	463,428	82,134	82,134
5. Water Adjudication	1.50	37,062	37,062	37,105	37,105
6. Expanded Water Claims Examination	7.00	-0-	150,000	-0-	150,000
Total Program Expansion	15.00	$118,490	$1,006,216	$119,239	$624,966

*The 3.00 FTE for Missouri River Reservation are included in the 1988 base.

1. The reclamation and development grant administration program expansion would add 0.50 FTE to monitor the reclamation and development grants that are authorized by the legislature. The position is to be financed with Reclamation and Development Account funds.

2. The purpose of the high-hazard dam program expansion is to comply with current law by developing operating plans for eight state-owned high-hazard dams within the mandated five-year renewal cycle. The 1.00 FTE in this program expansion would be financed with Water Development funds.

3. The Broadwater Dam program expansion proposes to add 2.00 FTE and related operating expenses and equipment for operation of the Broadwater hydro-facility. The program expansion would be financed with income earned from hydropower generation.

4. The Missouri River reservation program expansion is to implement a 1985 legislative mandate to complete comprehensive water reservations proceedings in the Missouri River Basin by December 31, 1991. The program expansion is to be funded with general fund, water development funds, and environmental impact statement fees paid by federal agencies, the Department of Health and Environmental Sciences and the Department of Fish, Wildlife, and Parks.

5. The water rights adjudication program expansion would add 1.50 FTE which would allow records and administrative activities of the water adjudication process to continue. In establishing the priorities for the department, the 1.50 FTE and related funding for this activity were reallocated. The department stated that the records and administrative activities were still essential, and therefore, legislature appropriated funds to continue the activities as a program expansion. The positions are financed by general fund.

6. The expanded water claims examination program is appropriated $150,000 Reclamation and Development Account funds per year and 7.00 FTE to increase the number of water rights claims to be examined in the 1991 biennium. With the additional staff, the department estimates that they will be able to examine an additional 2,000 to 2,500 water claims per year. The existing staff of 13.00 FTE was examining 3,900 claims per year; therefore, with the expanded staff, a total of 5,900 to 6,400 claims per year should be examined. According to the department, on January 10, 1989, there were 118,046 unexamined water rights claims.

Funding: Table 15 details the funding of the Water Resources Division by program.

Table 15
Water Resources Division
1991 Biennium Funding by Program

Fiscal 1990	General Fund	Water Wells Account	Water Development	State Funds For EIS	Reclamation and Development	Renewable Resource Development	Water Rights Account	Electrical Generation Revenue	Federal Funds	Total
Administration	$ 42,016	$ -0-	$ 90,000	$ -0-	$ 90,000	$ -0-	$ -0-	$ -0-	$ -0-	$ 222,016
Water Wells	7,943	30,678	-0-	-0-	-0-	-0-	-0-	-0-	-0-	38,621
Adjudication	657,114	-0-	-0-	-0-	155,768	-0-	-0-	-0-	-0-	812,882
New Water Rights	1,440,129	-0-	-0-	-0-	-0-	-0-	77,100	-0-	-0-	1,517,229
Water Management	286,807	-0-	352,544	140,000	350,000	-0-	-0-	-0-	42,000	1,171,351
Water Development	7,619	-0-	226,341	-0-	76,228	133,455	-0-	-0-	-0-	443,643
State Water Projects	-0-	-0-	1,520,628	-0-	-0-	-0-	-0-	301,736	4,050,532	5,872,896
Dam Safety	-0-	-0-	-0-	-0-	141,183	-0-	-0-	-0-	-0-	141,183
Total	$2,441,628	$30,678	$2,189,513	$140,000	$813,179	$133,455	$77,100	$301,736	$4,092,532	$10,219,821
Fiscal 1991										
Administration	$ 47,933	$ -0-	$ 90,000	$ -0-	$ 90,000	$ -0-	$ -0-	$ -0-	$ -0-	$ 227,933
Water Wells	7,787	31,417	-0-	-0-	-0-	-0-	-0-	-0-	-0-	39,204
Adjudication	672,829	-0-	-0-	-0-	161,970	-0-	-0-	-0-	-0-	834,799
New Water Rights	1,489,667	-0-	-0-	-0-	-0-	-0-	79,369	-0-	-0-	1,569,036
Water Management	318,745	-0-	155,288	-0-	350,000	-0-	-0-	-0-	-0-	824,033
Water Development	15,884	-0-	228,032	-0-	76,792	137,155	-0-	-0-	-0-	457,863
State Water Projects	-0-	-0-	755,130	-0-	-0-	-0-	-0-	303,610	52,292	1,111,032
Dam Safety	-0-	-0-	-0-	-0-	145,348	-0-	-0-	-0-	-0-	145,348
Total	$2,552,845	$31,417	$1,228,450	$ -0-	$824,110	$137,155	$79,369	$303,610	$ 52,292	$ 5,209,248

The 67.4 percent reduction in state special revenues reflects the expenditure in fiscal 1988 from other appropriation bills which are not included in the 1991 biennial budget. The 1,172.4 percent increase in federal funds reflects: 1) the $4,000,000 biennial appropriation for Middle Creek Dam; and 2) the expenditure in fiscal 1988 of $273,125 appropriated in a budget amendment for the Cooney Dam loan payoff.

Other Legislation:

House Bill 463 allows a district court to appoint a water mediator to mediate a water controversy in a non-decreed basin and establishes an educational program for water commissioners and mediators. The educational program for water commissioners and mediators is estimated to cost $10,000 for the biennium. No additional funds were included in the department's budget to reflect the responsibilities of House Bill 463.

Senate Bill 167 requires the water courts to reopen and review all preliminary decrees and final decrees to allow for objections on a basin-wide basis. Previous to this bill, the water court heard objections on a sub-basin basis.

During the interim, a special study was conducted on the state's water adjudication process. One of the recommendations of the study's consultant was that the state needed to allow for objections to water right claims on a basin-wide basis rather than on a sub-basin basis. The fiscal note which accompanied the bill estimated a cost of $73,000 to implement this bill. The costs were primarily in postage and printing. House Bill 100 does not contain any additional funding to implement Senate Bill 167.

Senate Bill 183 includes the Little Missouri River within the Missouri Water Reservations process. There were no additional funds appropriated in House Bill 100 to implement Senate Bill 183.

Difference From Executive: The expanded water rights claims examination program expansion added 7.00 FTE and $150,000 per year. The legislature did not approve 1.00 FTE and approximately $35,000 per year for the expanded water permits program expansion.

The use of a zero percent vacancy savings factor adds $70,800 per year, while the pay plan adds $121,655 in fiscal 1990 and $252,929 in fiscal 1991 to the executive recommendation.

The increase in operating expenses primarily reflects: 1) a $28,000 per year increase for printing of water adjudication decrees; and 2) $70,000 per year additional for maintenance of Toston Dam.

The difference in non-operating costs primarily reflects the biennial appropriation of $4,000,000 for the rehabilitation of Middle Creek Dam.

The increase in general fund reflects the funding shifts described in the department-wide differences.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: ENERGY DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	50.10	40.00	40.00	0.00	40.00	40.00	0.00	(10.10)
Personal Services	$1,187,097	$1,100,415	$1,158,610	$ 58,195	$1,102,587	$1,199,481	$ 96,894	(2.40)
Operating Expenses	645,107	3,024,940	3,161,796	136,856	1,338,889	1,330,832	(8,057)	390.12
Equipment	20,361	15,172	15,447	275	11,929	12,704	775	(24.13)
Non-Operating	1,296,599	260,939	260,939	0	260,938	260,938	0	(79.88)
TOTAL EXPENSES	$3,149,164	$4,401,466	$4,596,792	$ 195,326	$2,714,343	$2,803,955	$ 89,612	45.97
FUNDING								
General Fund	$ 435,149	$ 0	$ 485,265	$ 485,265	$ 0	$ 513,572	$ 513,572	11.52
State Special Rev	351,057	1,649,978	3,001,833	1,351,855	1,654,970	1,186,220	(468,750)	755.08
Federal Revenue	2,362,958	2,751,488	1,109,694	(1,641,794)	1,059,373	1,104,163	44,790	(53.04)
TOTAL FUNDING	$3,149,164	$4,401,466	$4,596,792	$ 195,326	$2,714,343	$2,803,955	$ 89,612	45.97

Program Description: The Energy Division is responsible for administration of the Montana Major Facility Siting Act, the Alternative Energy Grant and Loan Program, the State Building Energy Program, the Energy Emergency Powers Act, federally sponsored energy conservation programs, and various Northwest regional activities. The Major Facility Siting Act is enforced to insure that the location, construction, and operation of transmission, generation, and conservation facilities produce minimal adverse impacts on people and the environment. The Alternative Energy Grant and Loan Program awards grants and loans to individuals and organizations for projects that research, develop, demonstrate, or communicate the use of renewable energy sources such as solar, wind, geothermal, and biomass. The State Building Energy Program awards grants to state governmental units for energy conservation measures. The division monitors energy supply and demand on an ongoing basis to alert the Governor to potential problems and to be able to effectively target state emergency response actions in administering the Energy Emergency Powers Act.

Legislative Intent:

The department may expend up to $125,000 it may receive from the Montana Power Company and up to $20,000 it may receive from the Western Area Power Administration for the purposes of conducting builder training and agricultural workshops.

Budget: The 10.10 FTE reduction between fiscal 1988 and fiscal 1990 reflects the following changes. First, included in fiscal 1988 are 8.10 FTE for administering the Montana Facility Siting Act and for doing environmental analysis as required by Montana's Environmental Policy Act. Because the number of positions needed to accomplish facility siting and environmental analysis is dependent upon the number of applications received, the legislature has not budgeted for any specific level of FTE, but has appropriated a lump sum in contracted services that will cover all potential costs. The lump sum appropriation is made in an operating line item with the understanding by the legislature that some of the appropriation will be used for personal services. Because it is impossible to estimate the personnel needs in the 1991 biennium, the 8.10 FTE are not included in the budget; instead $1,005,300 per year is included in operating expenses for potential analyses. Second, 3.00 FTE appropriated to administer the oil overcharge funds are not included in the budget. Third, 1.00 FTE was added to the Energy Division Research and Planning Bureau. The additional position would respond to increasing requests from the Governor's Office and other state agencies to assess energy issues, develop energy policy options for the state, and recommend courses of action. This position was originally identified as a reprioritized position within the department, but since the position eliminated in the reprioritization has been reappropriated in a program expansion, this position is a net increase of 1.00 FTE to the department.

Personal services decrease by 2.4 percent from fiscal 1988 to fiscal 1990. The reduction is primarily caused by the FTE reductions discussed above. The legislature has not applied a vacancy savings factor to the budget.

The 390.1 percent increase in operating expenses reflects two types of changes. First, fiscal 1988 expenditures were adjusted to remove expenditures which were not to be included in the base. These reductions included $235,001 of oil overcharge expenditures, $27,563 of facility siting expenditures, and $7,553 of one-time expenditures. These reduced the operating expenses base to $374,992. Second, from the base of $374,992, the following items were added to develop the 1991 biennial budget: 1) $1,650,000 of mitigation trust funds as a biennial appropriation in fiscal 1990 for the Rock Creek Mitigation; 2) $996,400 per year of facility siting fees for the Facility Siting Program; 3) a $40,000 biennial appropriation to mitigate the effects of the Colstrip to Townsend 500-KV transmission line: 4) an annual reduction of $58,800 in consultant services; 5) an increase of $7,635 per year of primarily federal funds for state officials to travel to Bonneville Power Administration and other federal agency meetings; 6) a $3,500 annual general fund increase for the printing and filing of facility siting rules; 7) a $3,069 in fiscal 1990 and $7,105 increase in fiscal 1991 for other adjustments and inflation; and 8) $145,000 of private and federal funds appropriated for the biennium to conduct builder training and agricultural workshops. Table 16 summarizes the adjustments to fiscal 1988 expenditures and itemizes the changes from the adjusted fiscal 1988 expenditures which result in the 1991 biennial operating expenses appropriations.

Table 16
Energy Division Changes in Operating Expenses
Fiscal 1988 to the 1991 Biennium

	Fiscal 1990	Fiscal 1991
Fiscal 1988 Expenditures	$ 645,089	$ 645,089
1. Oil Overcharge Expenditures	(235,001)	(235,001)
2. Facility Siting Expenditures	(27,563)	(27,563)
3. One-time Expenditures	(7,533)	(7,533)
4. Rock Creek Mitigation - Biennial Appropriation	1,650,000	
5. Facility Siting	996,400	996,400
6. Colstrip-Townsend 500-KV Transmission Line Mitigation	40,000	
7. Reduction in Consultant Services	(58,800)	(58,800)
8. Travel Increase (Primarily Federally Funded)	7,635	7,635
9. Filing and Printing of Facility Siting Rules	3,500	3,500
10. Builder Training and Ag. Workshop	145,000	0
11. Other Adjustments and Inflation	3,069	7,105
Total	$3,161,796	$1,330,832

The 1991 biennium budget for equipment reflects the department's equipment request. The majority of the request is for computer equipment.

The non-operating budget is composed of the following: 1) $205,000 per year for Institutional Conservation Program Grants; 2) $50,000 per year for the Residential Construction Demonstration Program; and 3) approximately $6,000 per year for the department-wide lease/purchase of a computer.

Funding: The funding of the Energy Division is detailed in Table 17 by funding source and program.

Table 17
Energy Division Funding

Fiscal 1990	Administration	Research & Planning	Facility Siting Bureau	Conservation	Total
General Fund	$124,232	$194,841	$ 160,805	$ 5,387	$ 485,265
State Special Revenues					
Facility Siting Income	-0-	16,143	1,005,665	-0-	1,021,808
Alternative Energy Funds	-0-	-0-	-0-	165,025	165,025
Rock Creek	-0-	-0-	1,650,000	-0-	1,650,000
Colstrip-Townsend	-0-	-0-	40,000	-0-	40,000
Montana Power Company	-0-	-0-	-0-	125,000	125,000
Federal Funds					
Federal Energy	15,000	-0-	-0-	617,841	632,841
Oil Overcharge	-0-	28,983	-0-	447,870	476,853
Total	$139,232	$239,967	$2,856,470	$1,361,123	$4,596,792
Fiscal 1991					
General Fund	$128,546	$203,096	$ 170,727	$ 11,203	$ 513,572
State Special Revenues					
Facility Siting Income	-0-	16,715	1,005,902	-0-	1,022,617
Alternative Energy Funds	-0-	-0-	-0-	163,603	163,603
Federal Funds					
Federal Energy	15,000	-0-	-0-	609,958	624,958
Oil Overcharge	-0-	29,018	-0-	450,187	479,205
Total	$143,546	$248,829	$1,176,629	$1,234,951	$2,803,955

The Facility Siting Bureau uses general fund to administer the Montana Facility Siting Act, and filing fees are used to prepare Environmental Impact Statements.

As Table 17 indicates, the budget includes $476,853 of oil overcharge funds in fiscal 1990 and $479,205 in fiscal 1991. The oil overcharge revenues are available for appropriation because of interest projected to be earned from oil overcharge accounts and grant reversions. The use of the oil overcharge funds is in three programs: the State Energy Conservation Program (SECP); the Energy Extension Service (EES); and the Institutional Conservation Program (ICP).

The primary cause of the 755.1 percent increase in state special revenues and the 53.0 percent decrease in federal funds are the changes in Rock Creek and Colstrip-Townsend trust funds from federal revenues to state special revenues. These change were caused by Senate Bill 80.

Other Legislation:

House Bill 526 eliminates the allocation of coal severance tax revenues to the Alternative Energy Conservation Research Development and Demonstration Account. The bill also transfers all but $10,000 of the account's unobligated fund balance to the general fund. The account will still exist and will continue to receive income from repayment of energy loans.

Difference From Executive: The use of a zero percent vacancy savings factor adds $22,500 per year while the pay plan adds $35,789 in fiscal 1990 and $74,443 in fiscal 1991 to the executive recommendation.

The legislature appropriated $125,000 from Montana Power Company and $20,000 form the Western Area Power Administration for conducting builder training and agricultural workshops.

The increase in general fund reflects the funding shifts described in the department-wide differences.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	339.94	330.40	336.20	5.80	330.90	336.70	5.80	(3.74)
Personal Services	$ 8,969,357	$ 9,458,364	$10,167,486	$ 709,122	$ 9,491,747	$10,559,771	$ 1,068,024	13.36
Operating Expenses	21,731,733	22,668,843	13,052,825	(9,616,018)	23,475,889	12,615,007	(10,860,882)	(39.94)
Equipment	378,871	250,616	290,416	39,800	104,636	130,306	25,670	(23.35)
Non-Operating	34,646,701	31,301,469	29,227,172	(2,074,297)	31,071,961	25,120,884	(5,951,077)	(15.64)
TOTAL EXPENSES	$65,726,662	$63,679,292	$52,737,899	$(10,941,393)	$64,144,233	$48,425,968	$(15,718,265)	(19.76)
FUNDING								
General Fund	$ 4,707,938	$ 5,882,606	$ 5,721,906	$ (160,700)	$ 6,127,643	$ 5,864,560	$ (263,083)	21.54
State Special Rev	11,960,275	9,925,712	17,250,064	7,324,352	9,855,972	13,686,439	3,830,467	44.23
Federal	16,936,002	20,721,145	19,852,828	(868,317)	19,156,385	19,055,073	(101,312)	17.22
Other	32,122,447	27,149,829	9,913,101	(17,236,728)	29,004,233	9,819,896	(19,184,337)	(69.14)
TOTAL FUNDING	$65,726,662	$63,679,292	$52,737,899	$(10,941,393)	$64,144,233	$48,425,968	$(15,718,265)	(19.76)

Agency Description: The Department of Commerce encompasses regulatory programs, programs of local assistance, programs designed to promote economic growth and development, and programs for the regulation of gambling activities. Regulatory programs include Weights and Measures, Milk Control, Financial, Aeronautics, Building Codes, and Professional and Occupational Licensing. Programs of local assistance are Community Development, Hard Rock Impact, Coal Board, Local Government Block Grant, Indian Affairs Coordinator, Accounting and Management Systems, and Local Government Audit. Programs promoting economic development are Business Assistance, Science and Technology, Investment Division, Montana Promotion, Transportation, Housing, and Research and Information Services. Gambling programs include Video Poker, Horse Racing, and the State Lottery.

Local assistance is provided through direct cash payments, as is the case with Coal Board grants, Hard Rock Mining Impact grants, and District Court grants, and through technical assistance and consultation.

Budget: The staffing level for the department decreased by 3.74 FTE, primarily as a result of the elimination of vacant positions.

The overall budget decreases by 19.76 percent, but this is primarily related to a major decrease in the operating budget for the Montana Lottery. Exclusive of the Montana Lottery, the department's operating budget increases. The most significant increases are a $288,211 increase in the Professional and Occupational Licensing Bureau which represents cumulative increases in the various boards and commissions administered by the bureau, a $342,401 increase in the Business Assistance Division which relates primarily to the establishment of Small Business Development Centers and the Pacific Rim Office, a $491,276 increase in the Montana Promotion Program which is a result of increased accommodations tax revenues, a $343,576 increase in the Housing Division which relates to program expansion, a $121,882 increase in the Video Gaming Bureau which relates to program expansion, and $250,000 in the Investments Division to cover the administrative costs associated with Conservation Reserve Enhancement Program.

The most significant items in the equipment budget are $18,000 for replacement of a vehicle in the Weights and Measures Bureau, $18,000 for communications equipment for the Aeronautics Division, about $100,000 for computer software for the Housing Division, $21,450 for computer equipment for the Local Government Assistance Division, $12,000 for computer and office equipment for the Investment Division, and $39,931 for a vehicle and computer and office equipment for the Video Gaming Bureau.

The most significant non-operating expenses are $2,259,563 for transportation grants in the Transportation Division, $1,118,676 in the Montana Promotion Program for pass through of accommodation tax revenues to regional tourism promotion groups, $12,384,661 for housing grants administered by the Local Government Assistance Division, $2,512,885 for the District Court Reimbursement Program, $3,326,723 for Coal Board Grants, and $4,891,121 for Community Development Block Grants.

Funding: About 11.5 percent of the department funding comes from the general fund. The balance of the funding comes from state special revenue, federal grant funds, and proprietary and private funds. General fund support increases by 21.5 percent over fiscal 1988. The major increases in general fund support are: 1) a $460,014 increase in the Science and Technology Alliance which occurs because the alternative energy fund which had been used to support this program was de-earmarked; 2) a $313,744 increase in the District Court Reimbursement Program; 3) a $82,293 increase in the Business Assistance Program which is related to the Pacific Rim Office; and 4) a $44,769 increase in the Weights and Measures Bureau.

Other Legislation:

Senate Bill 431 transferred the Video Gaming Bureau from the Department of Commerce to the Department of Justice. The description of that program is now included with the Department of Justice.

AGENCY: DEPARTMENT OF COMMERCE

LEGISLATIVE ACTION

PROGRAM: DIRECTOR'S OFFICE

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	22.74	22.34	22.34	0.00	22.34	22.34	0.00	(0.40)
Personal Services	$654,157	$660,512	$695,601	$ 35,089	$661,914	$720,210	$58,296	6.34
Operating Expenses	160,440	220,778	213,839	(6,939)	143,162	139,341	(3,821)	33.28
Equipment	9,167	12,250	12,250	0	1,000	1,000	0	33.63
TOTAL EXPENSES	$823,764	$893,540	$921,690	$ 28,150	$806,076	$860,551	$54,475	11.89
FUNDING								
General Fund	$ 90,474	$ 94,853	$102,385	$ 7,532	$ 91,418	$103,743	$12,325	13.17
Proprietary	733,290	798,687	819,305	20,618	714,658	756,808	42,150	11.73
TOTAL FUNDING	$823,764	$893,540	$921,690	$ 28,150	$806,076	$860,551	$54,475	11.89

Program Description: The Director's Office provides the department with executive, administrative, and policy guidance. This office acts as the liaison among private business, local governments, administratively attached boards, and the Governor's Office in the effort to improve and stabilize the economic climate in Montana. Included in the Director's Office are the following components:

The Director's Office provides the department with executive, administrative, and policy guidance.

The Management Services Division provides internal support to all agency programs. The services provided include budgeting, accounting, purchasing, contracting, personal administration, payroll, training, and the analysis, development, maintenance, and supervision of department data processing systems and hardware.

Legal Services provides legal advice to department programs.

Consumer Protection responds to consumer complaints as they relate to quality, price, and promises made by the seller or producer.

Legislative Intent: Language in House Bill 100 provides that travel costs for all staff members in the Director's Office shall be funded only from $13,367 in fiscal 1990 and $13,627 in fiscal 1991 line item appropriated for the Director's Office. There is $1,000 of general fund per year in the budget to fund the County Printing Board, which can be used only for that purpose.

Budget: In fiscal 1988, a net of 3.00 FTE were transferred from the Director's Office to other department programs, a 0.34 part-time computer programmer was transferred to the Director's Office, and a 0.20 FTE was eliminated. The legislature approved continuation of this level of staffing. The fiscal 1988 actual FTE level reflects a slightly higher number because the FTE transfers occurred at various times during the fiscal year. Personal services expenses increase by 6.30 percent as a net result of $21,600 in pay plan increases and $19,400 vacancy savings in fiscal 1988.

The increase in fiscal 1990 operating expenses results from: 1) a $37,536 expenditure for audit fees, which is a biennial appropriation that is offset by a $66,919 decrease in fiscal 1991; 2) a $10,460 increase in costs related to a new on-line data entry system for the state budgeting and accounting system; 3) a $2,000 addition for subscription services for the Legal Services office; 4) a $4,000 addition for updating of computer software; and 5) a $5,000 increase for consumer protection for implementation of the lemon law. These increases were offset by a $6,019 decrease in the travel budget for the Director's Office.

Funding: The Director's Office, Legal Services, and the Management Services Division are financed by charges to other departmental programs. The Consumer Protection Program is financed by general fund. Funding for the Director's Office is summarized in Table 1.

Table 1
Director's Office - Staffing and Funding

		Fiscal 1990			Fiscal 1990		
	FTE	General Fund	Proprietary Funds	Total	General Fund	Proprietary Funds	Total
Director's Office	4.50	$ -0-	$222,334	$222,334	$ -0-	$226,086	$226,086
Management Services	14.84	1,000	571,359	572,359	1,000	504,483	505,483
Legal Services	0.50	-0-	25,612	25,612	-0-	26,239	26,239
Consumer Protection	2.50	101,385	-0-	101,385	102,743	-0-	102,743
Total	22.34	$102,385	$819,305	$921,690	$103,743	$756,808	$860,551

Table 2 shows the source and application of indirect funds. As shown, indirect collections are about equal to expenses in the 1991 biennium. Indirect assessments increase about 7 percent over the 1989 biennium. This increase occurs because current assessments do not meet current costs because a $30,000 accounting adjustment was needed to

affect a negative carry forward from prior years, and because of a small increase in the Management Services Division budget.

Table 2
Source and Application of Indirect Funds

	Fiscal 1990	Fiscal 1991
Beginning Balance	$ 3,000*	$ 4,302
Source of Funds		
Business Regulation	$ 4,741	$ 4,557
Weights and Measures	27,525	26,553
Financial	48,917	47,158
Milk Control	15,311	14,728
Professional Licensing	75,208	72,701
Aeronautics	29,653	28,625
Transportation	38,864	37,442
Business Assistance	40,851	39,303
Montana Promotion	35,051	33,814
Section 8 Housing	15,884	15,292
Community Development	34,040	32,773
Research and Information Services	17,023	16,396
Local Government - Audit	67,862	65,338
Local Government - Systems	13,758	13,273
Local Government - Administration	7,936	7,633
Building Codes	73,764	71,157
Indian Affairs	5,297	5,094
Health Facilities	6,998	6,751
Science and Technology	18,229	17,558
Housing	32,044	30,869
Investments	79,252	76,334
Lottery	79,636	76,683
Horse Racing	11,112	10,686
Director - Consumer Affairs	6,983	6,738
Subtotal	$785,939	$757,456
Audit Assessments	66,412	-0-
Total Assessments & Beginning Balance	$855,351	$761,758
Application of Funds		
Director's Office**	$733,615	$716,782
Pay Plan and Accounting Adjustment	51,022	40,026
Audit Costs	66,412	-0-
Total Expenditures		
ENDING BALANCE	$ 4,302	$ 4,950

* Department estimate
**Includes Management Services and Legal Services

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $13,500 annually; 2) the pay plan adds about $21,600 to the fiscal 1990 budget and $45,000 to the fiscal 1991 budget; 3) the executive proposal included $1,500 per year for system development that was not approved by the legislature, and 4) the executive proposal included $6,444 per year more in the director's travel budget than was approved by the legislature. The remaining difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: DIRECTOR - BUSINESS REGULATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	1.00	1.00	1.00	0.00	1.00	1.00	0.00	0.00
Personal Services	$52,771	$ 52,921	$ 55,960	$3,039	$ 52,950	$ 57,503	$ 4,553	6.04
Operating Expenses	20,167	96,319	102,647	6,328	96,085	102,296	6,211	408.98
TOTAL EXPENSES	$72,938	$149,240	$158,607	$9,367	$149,035	$159,799	$10,764	117.45
FUNDING								
State Special Rev	$13,376	$ 89,107	$ 94,470	$5,363	$ 89,147	$ 94,470	$ 5,323	606.26
Proprietary Revenue	59,562	60,133	64,137	4,004	59,888	65,329	5,441	7.68
TOTAL FUNDING	$72,938	$149,240	$158,607	$9,367	$149,035	$159,799	$10,764	117.45

Program Description: This component represents the budget for the operation of the Business Regulation Division administrator and the regulation of passenger tramways, (i.e., ski lifts). The administrator supervises all functions performed by the Building Codes, Milk Control, Professional and Occupational Licensing, and Weights and Measures Bureaus.

Budget: The operating budget includes a $72,000 per year authorization for legal services, which will only be used if needed to provide legal services to any of the components of the Professional and Occupational Licensing Bureau. The budget for the 1989 biennium included a $75,000 authorization for legal services, but no expenses were incurred in fiscal 1988. The spending authority is included in the administrator's budget, but any services provided would be funded by the board utilizing the legal services. The operating budget also includes a $3,166 increase in inspection costs for ski lifts.

Funding: The administrator's office is funded by charges to bureaus within the division. The tramway regulation function is supported by fees charged to tramway operators. The authorization for legal services is funded with state special revenue.

Other Legislation:

House Bill 258 creates a Board of Tramway Safety, and increases the operating budget for the Director of Business Regulation by $3,431 in fiscal 1990 and $3,391 in fiscal 1991.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the pay plan adds about $1,400 to the fiscal 1990 budget and $2,900 to the fiscal 1991 budget; 2) the legislative appropriation includes about $2,000 per year for travel and $1,500 per year for tramway inspection costs that were not in the executive proposal; and 3) the costs associated with House Bill 258 add $3,400 per year. The remaining difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: BUILDING CODES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	30.00	30.00	30.00	0.00	30.00	30.00	0.00	0.00
Personal Services	$ 763,764	$ 839,542	$ 883,388	$43,846	$ 842,406	$ 915,353	$72,947	15.66
Operating Expenses	350,562	373,966	380,967	7,001	365,897	372,911	7,014	8.67
Equipment	380	4,150	4,150	0	930	2,100	1,170	992.11
TOTAL EXPENSES	$1,114,706	$1,217,658	$1,268,505	$50,847	$1,209,233	$1,290,364	$81,131	13.80
FUNDING								
General Fund	$ 28,759	$ 33,728	$ 35,697	$ 1,969	$ 32,336	$ 34,724	$ 2,388	24.12
State Special Rev	1,085,947	1,183,930	1,232,808	48,878	1,176,897	1,255,640	78,743	13.52
TOTAL FUNDING	$1,114,706	$1,217,658	$1,268,505	$50,847	$1,209,233	$1,290,364	$81,131	13.80

Program Description: The Building Codes Bureau establishes and enforces minimum building, plumbing, mechanical, electrical, and energy standards to safeguard the public in design and construction of buildings, recreational vehicles, and factory built buildings. The bureau reviews and approves plans, issues building, plumbing, mechanical and electrical permits, issues factory building and recreational vehicle insignias, and inspects buildings and installations.

Budget: The Public Contractor's Licensing Program, including one position, was transferred to the bureau from the Director's Office in fiscal 1988. Personal services expenses increase by 15.7 percent as a result of $90,000 of vacancy savings in fiscal 1988 and fiscal 1990 pay plan costs of $26,900.

The increase in the fiscal 1990 operating budget results primarily from: 1) an $16,596 increase in rent and indirect assessments; and 2) a $10,068 increase in gasoline and travel expenses. The equipment budget funds computer equipment.

Funding: All bureau programs except the Public Contractor's Licensing Program are funded with state special revenue associated with inspection and license fees. The Public Contractor's Licensing Program, which was transferred from the Director's Office to the Building Codes Bureau in fiscal 1988, is supported by general fund. Contractor licensing fees are deposited in the general fund. Fiscal 1988 deposits from this source were $231,500.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $17,100 annually; and 2) the pay plan adds about $26,900 to the fiscal 1990 budget and $55,900 to the fiscal 1991 budget. The difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: PROF & OCCUP LICENSING

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	30.43	30.43	31.93	1.50	30.43	31.93	1.50	1.50
Personal Services	$ 772,593	$ 853,564	$ 949,057	$ 95,493	$ 857,428	$1,005,744	$148,316	22.84
Operating Expenses	1,382,295	1,563,685	1,670,506	106,821	1,550,148	1,638,515	88,367	20.85
Equipment	24,201	7,292	11,092	3,800	6,335	6,335	0	(54.17)
TOTAL EXPENSES	$2,179,089	$2,424,541	$2,630,655	$206,114	$2,413,911	$2,650,594	$236,683	20.72
FUNDING								
State Special Rev	$1,493,474	$1,707,764	$1,867,171	$159,407	$1,700,676	$1,870,457	$169,781	25.02
Proprietary Fund	685,615	716,777	763,484	46,707	713,235	780,137	66,902	11.36
TOTAL FUNDING	$2,179,089	$2,424,541	$2,630,655	$206,114	$2,413,911	$2,650,594	$236,683	20.72

Program Description: The Professional and Occupational Licensing Bureau provides the administrative and clerical services required by the professional licensing boards. Services provided by the bureau include correspondence, application processing, license issuance, license renewal, continuing education monitoring, investigation of complaints, examination administration and grading, minute taking of board meetings, and maintenance of board records.

Budget: The personal services budget represents an increase of 1.50 FTE that were added through program expansion. Personal service expenses increase by 22.8 percent as a result of $33,000 in additional staff costs, $47,700 of pay plan costs, and $48,800 of vacancy savings in fiscal 1988. The amount budgeted for compensation of the various board members is about $49,000 above the fiscal 1988 expenditure level.

The legislature approved operating expense increases of: 1) $9,000 for departmental administration efforts; and 2) $180,000 in cumulative increases for the 29 boards administered by the bureau. The most significant increases among the boards are: 1) $7,822 for the Board of Architects; 2) $10,434 for the Board of Dentistry; 3) $26,258 for the Board of Medical Examiners; 4) $54,687 for the Board of Outfitters; 5) $14,486 for the Board of Public Accountants; 6) $12,166 for the Board of Nursing; and 7) $8,000 for the Board of Real Estate Licensing. Program expansion added an additional $126,000.

The equipment budget is primarily for computer-related equipment.

Program Expansion: Significant program expansion, all related to legislation passed during the 1989 legislature session, includes: 1) $61,125 for the Board of Nursing; 2) $29,030 for the Board of Medical Examiners; and 3) $15,000 for the Board of Dentistry. Included in the program expansion is 1.00 FTE for the Board of Medical Examiners and 0.50 FTE for program administration.

Funding: Each of the boards is funded by licensing fees and assessments on the members of the profession which they represent. The administrative function is funded by assessments against each board.

Other Legislation:

House Bill 378 established an impaired nurses program. The budget was increased by $61,125 per year to cover the costs associated with this program.

Senate Bill 63 created a full-time executive secretary position for the Board of Medical Examiners, which added $29,030 to the fiscal 1990 budget, and $26,110 to the fiscal 1991 budget. The bureau's staffing level was increased by 1.00 FTE.

Senate Bill 151 expands licensing responsibilities of the Board of Cosmetology, expanding the budget by $7,495 per year.

Senate Bill 26 which provides for the licensing of physician assistants increased the budget by about $2,500 per year.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $15,400 annually; 2) the pay plan adds about $47,700 to the fiscal 1990 budget and $99,200 to the fiscal 1991 budget; 3) the legislature approved the addition of $15,000 in fiscal 1990 for the Board of Dentistry and $8,000 per year for the Board of Realtors; 4) the legislature approved $100,150 in fiscal 1990 and $97,230 in fiscal 1991 for expenses relating to legislation passed during the session, and 5) the legislature approved about $10,100 per year for increased administration associated with the expansion of various board activities. The remaining difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: MILK CONTROL BUREAU

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	8.00	8.00	7.00	(1.00)	8.00	7.00	(1.00)	(1.00)
Personal Services	$170,981	$194,710	$183,971	$(10,739)	$194,817	$190,633	$(4,184)	7.60
Operating Expenses	91,431	97,803	98,038	235	93,039	96,515	3,476	7.23
Equipment	297	300	300	0	300	300	0	1.01
TOTAL EXPENSES	$262,709	$292,813	$282,309	$(10,504)	$288,156	$287,448	$ (708)	7.46
FUNDING								
State Special Rev	$262,709	$292,813	$282,309	$(10,504)	$288,156	$287,448	$ (708)	7.46

Program Description: The staff of the Milk Control Bureau is responsible for supervising, regulating, and controlling Montana's milk industry. The bureau investigates all matters pertaining to production, processing, storage, distribution, and sale of milk.

Budget: The personal services budget represents a reduction of 1.00 FTE as a result of elimination of one vacant position. Personal services costs increase by 7.6 percent because elimination of 1.00 FTE reduces the personal services budget by about $20,700 per year, the pay plan adds $6,100, and there was vacancy savings of about $21,000 in fiscal 1988.

The only significant changes in the operating budget are a $5,683 increase in indirect assessments for the department and for the Business Regulation Division administration.

Funding: The bureau is funded by assessments on Montana milk products.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $3,900 annually; 2) the pay plan adds about $6,100 to the fiscal 1990 budget and $12,700 to the fiscal 1991 budget; and 3) the legislative appropriation deletes 1.00 FTE and $20,700 of personal services costs that were included in the executive proposal. The difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE — PROGRAM: WEIGHTS AND MEASURES BUREAU

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	12.00	12.00	12.00	0.00	12.00	12.00	0.00	0.00
Personal Services	$283,103	$313,716	$330,618	$16,902	$314,800	$343,027	$28,227	16.78
Operating Expenses	108,793	117,965	120,201	2,236	117,314	118,491	1,177	10.49
Equipment	21,654	18,000	18,000	0	18,000	18,000	0	(16.87)
TOTAL EXPENSES	$413,550	$449,681	$468,819	$19,138	$450,114	$479,518	$29,404	13.36
FUNDING								
General Fund	$413,550	$449,681	$468,819	$19,138	$450,114	$479,518	$29,404	13.36

Program Description: The staff of the Weights and Measures Bureau tests and inspects all weighing and measuring devices and is responsible for calibrating all weights and measures. The bureau staff is also responsible for quality control for all petroleum products. They investigate complaints concerning violations of weights and measures laws and regulations; regulate labeling, advertising and quality control of prepackaged products; license all state petroleum dealers; and collect all license and scale test fees, as well as impose late penalties.

Budget: The increase in personal services expenses results from the recent hiring of an inspector to fill a position that was vacant in fiscal 1988. The personal services budget represents a continuation of fiscal 1988 staffing. Personal services costs increase primarily as a result of $24,900 vacancy savings in 1988, and $10,500 of pay plan increases in fiscal 1990.

The increased operating expenses are primarily a result of increases in indirect assessments of $10,145, which occurs because division level assessments were not charged to the bureau in fiscal 1988. Equipment is for replacement of vehicles.

Funding: The bureau is funded by general fund. Fees collected by the bureau, which represent about half of the total expenditures, are deposited to the general fund.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $6,400 annually; and 2) the pay plan adds about $10,500 to the fiscal 1990 budget and $21,800 to the fiscal 1991 budget. The difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE — PROGRAM: FINANCIAL DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	21.00	19.50	20.00	0.50	19.50	20.00	0.50	(1.00)
Personal Services	$535,233	$549,970	$592,143	$42,173	$551,516	$613,216	$61,700	10.63
Operating Expenses	200,189	223,142	230,118	6,976	219,123	224,215	5,092	14.95
Equipment	30,196	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$765,618	$773,112	$822,261	$49,149	$770,639	$837,431	$66,792	7.40
FUNDING								
State Special Rev	$765,618	$773,112	$822,261	$49,149	$770,639	$837,431	$66,792	7.40

Program Description: The Financial Division and the State Banking Board are responsible for chartering, licensing, supervising, and examining state banks, savings and loan associations, credit unions, consumer loan licensees, sales finance companies, and Montana development companies/boards. They are responsible for preventing loss resulting from mismanagement or insolvency of state financial organizations.

Budget: The personal services budget represents a reduction of 1.00 FTE which results from reducing one full-time position to half-time, the transfer of 1.00 FTE to the Montana Promotion Division, and the addition of 0.50 FTE through program expansion. Personal services increase 10.60 percent because the reduction of 1.00 FTE is offset by $18,000 of pay plan increases and $43,500 of vacancy savings in fiscal 1988.

The operating expense budget increases as a result of: 1) a $3,953 increase in legal fees resulting from increasing bank regulation problems; 2) an $11,494 increase in travel expenses for bank examiners; 3) a $3,631 increase in rent expenses for the Billings office; and 4) a $1,478 increase in communication expenses for the Billings office.

Program Expansion: The budget increases $15,970 annually for costs associated with Senate Bill 303, which requires licensing of escrow agents. This program is funded through fees collected from the escrow agents.

Funding: The program is funded by assessments on state regulated financial institutions.

Other Legislation:

Senate Bill 303 requires licensing of escrow agents, regulates escrow business, and provides for fees and penalties. To meet the increased responsibilities, the budget was increased by $15,970 per year and 0.50 FTE was added.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $11,200 annually; 2) the pay plan adds about $18,000 to the fiscal 1990 budget and $37,500 to the fiscal 1991 budget; and 3) the legislature added 0.50 FTE and $13,000 of annual personal services costs and $3,000 of annual operating costs relating to Senate Bill 303. The difference in the operating budgets results from the adjustment of indirect assessments.

AGENCY: DEPARTMENT OF COMMERCE

LEGISLATIVE ACTION

PROGRAM: AERONAUTICS DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	12.99	12.99	11.99	(1.00)	12.99	11.99	(1.00)	(1.00)
Personal Services	$303,258	$354,692	$358,253	$ 3,561	$356,098	$372,046	$15,948	18.13
Operating Expenses	323,588	367,901	375,583	7,682	345,296	353,326	8,030	16.07
Equipment	33,032	15,000	18,000	3,000	15,000	12,000	(3,000)	(45.51)
Non-Operating	150,758	20,000	25,000	5,000	20,000	25,000	5,000	(83.42)
TOTAL EXPENSES	$810,636	$757,593	$776,836	$19,243	$736,394	$762,372	$25,978	(4.17)
FUNDING								
State Special Rev	$565,152	$631,266	$649,368	$18,102	$610,013	$633,613	$23,600	14.90
Federal Revenue	205,000	75,000	75,000	0	75,000	75,000	0	(63.41)
Other Revenue	40,484	51,327	52,468	1,141	51,381	53,759	2,378	29.60
TOTAL FUNDING	$810,636	$757,593	$776,836	$19,243	$736,394	$762,372	$25,978	(4.17)

Program Description: The Division of Aeronautics consists of the Aeronautics Board, the Airport/Airways Bureau, and the Safety and Education Bureau. The Aeronautics Board, allocated to the department for administrative purposes, advises on matters pertaining to aeronautics.

The Airport/Airways Bureau provides technical and financial assistance to communities in airport development, navigational aid development, communications, aviation safety, and aviation planning. Program staff plan, establish, operate, and maintain the state-owned system of airports, navigational aids, and communications facilities.

The Safety and Education Bureau maintains a statewide organization for aerial search and rescue. They serve as the approving agent for Veterans' Administration flight schools, enforce state law on pilot and aircraft regulation, and issue commercial air operator certificates. Bureau personnel plan and organize annual aircraft mechanic refresher seminars and annual flight instructor refresher clinics, and conduct aviation safety programs for pilots in Montana.

Budget: The personal services budget represents a decrease of 1.00 FTE as the result of the elimination of one vacant position. Personal services costs increase by 18.1 percent because the $15,000 saved by elimination of 1.00 FTE is offset by $11,400 of pay plan increases and $53,600 of vacancy savings in fiscal 1988.

The operating budget has increased as a result of: 1) a $13,000 increase in grants to assist small airports initiate construction projects; 2) a $24,590 increase in printing costs associated with updating state aeronautical charts; and 3) a $5,541 increase in travel expenses. Operating expenses associated with the statutorily appropriated aircraft registration fees of $7,682 for fiscal 1990 and $8,030 for fiscal 1991 were also included in the operating budget.

Funding: The division is funded primarily by state special revenue generated through a 1 cent per gallon tax on aviation fuel. The division also receives federal grant funds to update the state aviation system plan, and generates proprietary fund revenue from operation of the state-owned West Yellowstone Airport.

Table 3 shows the department's projection of the Division of Aeronautics state special revenue fund. Expenditures are at the House Bill 100 level through fiscal 1991. As the table illustrates, the account will become insolvent in the 1991 biennium without an increase in aviation fuel tax revenues or a reduction in expenditures.

Table 3
Aeronautics Division State Special Revenue Account

	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991
Beginning Balance	$ 535,595	$ 432,684	$ 278,811	$ 88,595
Revenue	734,904	739,952	738,152	737,152
Funds Available	$1,270,499	$1,172,636	$1,016,963	$ 825,747
Expenses				
Operating	$ N/A	$ 614,825*	$ 649,368	$ 633,613
Aircraft Reg.	N/A	279,000	279,000	279,000
Total Expenses	$ 837,815	$ 893,825	$ 928,368	$ 912,613
Ending Balance	$ 432,684	$ 278,811	$ 88,595	$ (86,866)

*Department estimate as of March, 1989

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $7,100 annually; 2) the pay plan adds about $11,400 to the fiscal 1990 budget and $23,800 to the fiscal 1991 budget; and 3) the legislature deleted 1.00 FTE and $15,000 of annual personal services expenses that were included in the executive recommendation. The

difference in the operating budgets results from the adjustment of indirect assessments. The legislature provided annual grant authority of $5,000 above the executive request. The legislature funded equipment expenses at a $3,000 higher level in fiscal 1990 and a $3,000 lower level in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: TRANSPORTATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	15.00	13.50	14.50	1.00	13.50	14.50	1.00	(0.50)
Personal Services	$ 501,823	$ 442,622	$ 493,916	$ 51,294	$ 443,565	$ 510,187	$ 66,622	(1.58)
Operating Expenses	429,911	287,688	401,345	113,657	274,628	205,635	(68,993)	(6.64)
Equipment	857	4,000	4,000	0	500	0	(500)	366.74
Non-Operating	2,396,194	2,259,563	2,559,563	300,000	704,684	704,684	0	6.82
TOTAL EXPENSES	$3,328,785	$2,993,873	$3,458,824	$ 464,951	$1,423,377	$1,420,506	$ (2,871)	3.91
FUNDING								
General Fund	$ 598,803	$ 515,193	$ 628,834	$ 113,641	$ 499,577	$ 443,445	$(56,132)	5.02
State Special Rev	71,250	71,250	1,126,129	1,054,879	71,250	71,250	0	1,480.53
Federal Revenue	2,297,020	2,407,430	1,703,861	(703,569)	852,550	905,811	53,261	(25.82)
Other Revenue	361,712	0	0	0	0	0	0	(100.00)
TOTAL FUNDING	$3,328,785	$2,993,873	$3,458,824	$ 464,951	$1,423,377	$1,420,506	$ (2,871)	3.91

Program Description: The Transportation Division is responsible for development and maintenance of effective transportation systems in Montana. The division staff provides technical, legal, planning, and financial assistance to transportation users, providers, and local governments. They are responsible for rate analysis and development of cost models to assess changes in transportation rates and systems.

Division programs provide technical and financial assistance to shippers, agriculture, rail and trucking industries, inter-city passenger carriers, urban public transportation, and other transportation providers and users. The division is also charged with administering the State Rail Plan and maintaining Montana's eligibility for general railroad assistance funding.

Legislative Intent: The legislature moved to reinstate the general appropriations act language which appeared in prior bienniums. The department shall seek to recover from any settlement the general fund expenditures made for the McCarty Farms/Staggers 229 litigation, plus interest at the rate of 10 percent. It is the intent of the legislature that recovery be sought for all such expenditures on this case. Contracted services expenses include a $180,000 biennial appropriation for activities associated with the McCarty Farms case.

Budget: Fiscal 1988 personal services expenses include three positions that were funded by budget amendments and are not included in the 1991 biennium. One additional position (1.00 FTE) that was contingent upon receipt of federal funds for the urban transit function has also been removed from current level. Approved program expansions add 3.50 FTE.

Fiscal 1988 operating expenses include $89,870 in costs funded by budget amendment, leaving base level operating expenses of $340,041. The primary change in the operating budget is an increase of $53,021 relating to program expansion.

The equipment budget funds computer equipment.

Non-operating expenses are summarized in Table 4. The Urban Mass Transit grants are pass-through funds for specific transit programs, such as transit planning and vehicles for the elderly and handicapped. The grants to local transit systems are pass-through of gas tax revenues to city public transportation systems, and county highways or transportation systems. The interest revenue from settlement of the Burlington Northern Geraldine lawsuit provides for on-going rehabilitation of the Central Montana Railroad. The $500,000 is federal Railroad Administration funding for rail planning and rehabilitation projects.

Table 4
Transportation Division Non-Operating Expenses

	Fiscal 1990	Fiscal 1991
Urban Mass Transit Grants	$ 633,434	$633,434
Grants to Local Transit System (Gas Tax Funds)	71,250	71,250
Interest Money from BN Lawsuit Settlement	1,054,879	-0-
Local Rail Assistance	500,000	-0-
Federal Railroad Administration	$2,259,563	$704,684

Program Expansions: The legislature approved the federally funded program expansions summarized in Table 5.

Table 5
Program Expansions for the Transportation Division

		Fiscal 1990			Fiscal 1991		
	FTE	Personal Services	Operating	Equipment	Personal Services	Operating	Equipment
1. Federal Rail Planning	1.50	$ 41,334	$ 8,666	$ -0-	$ 41,357	$ 8,643	$ -0-
2. Transit Research and Training	1.00	33,562	26,555	-0-	33,634	26,482	-0-
3. Technical and Admin. Assistance	1.00	28,939	17,800	-0-	28,939	17,800	-0-
Total	3.50	$103,835	$53,021	$ -0-	$103,930	$52,925	$ -0-

1. The Federal Rail Planning program expansion provides technical assistance to shortline railroads such as the Central Montana Railroad, preparation of the annual rail plan update which allows the state to maintain eligibility for federal rail funds, continuation of the rail database and analysis of data on track conditions, and rail rehabilitation costs.

2. The Transit Research and Training program expansion provides for technical assistance and training for rural transit operators.

3. The Technical and Administration Assistance program expansion provides technical and administrative assistance relating to urban mass transit projects in Billings, Great Falls, and Missoula. This assistance will include project planning, program development, development of vehicle and equipment specifications, management development, project coordination, and construction management.

Funding: The division's operating expenses are funded primarily with general fund, federal urban mass transit funds, and federal rail funds.

The urban mass transit funds do not require any state match. The federal rail funds require roughly a 40 to 60 percent state match for planning projects and a 30 percent state match on other projects. The litigation efforts are funded entirely with general fund, but the division anticipates that litigation costs associated with the McCarty Farms case will be paid by Burlington Northern and revert to the general fund upon settlement of the case.

State special revenue increases because $1.1 million of interest revenue from settlement of the Burlington Northern Geraldine lawsuit was reclassified from federal special to state special revenue. The other funds in fiscal 1988 were from Burlington Northern settlement money.

Other Legislation:

House Bill 563 appropriates oil overcharge money for state-administered programs, including $300,000 to the Department of Commerce for a truck/train transloading facility in Toole County.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $9,000 annually; 2) the pay plan adds about $14,200 to the fiscal 1990 budget and $29,500 to the fiscal 1991 budget; 3) the legislature approved the addition of 1.00 FTE and $29,000 of annual personal services expenses, and about $18,000 in annual operating expenses associated with federal grants to provide technical and administrative assistance to urban transit projects; and 4) the executive proposal recommended $90,000 per year for McCarty Farms litigation while the legislature provided a biennial appropriation of $180,000. The remaining difference in the operating budgets results from the adjustment of indirect assessments. Other legislation adds $300,000 to the fiscal 1990 budget.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: BUSINESS ASSISTANCE

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	15.00	15.00	15.00	0.00	15.00	15.00	0.00	0.00
Personal Services	$331,826	$ 458,671	$ 489,203	$30,532	$ 459,026	$ 504,818	$ 45,792	47.43
Operating Expenses	514,982	864,474	857,442	(7,032)	861,189	852,581	(8,608)	66.50
Equipment	23,481	7,175	7,175	0	1,250	1,250	0	(69.44)
Non-Operating	7,500	5,000	5,000	0	0	0	0	(33.33)
TOTAL EXPENSES	$877,789	$1,335,320	$1,358,820	$23,500	$1,321,465	$1,358,649	$ 37,184	54.80
FUNDING								
General Fund	$632,514	$ 706,054	$ 725,424	$19,370	$ 697,199	$ 726,827	$ 29,628	14.69
State Special Rev	159,546	294,016	348,166	54,150	294,016	348,333	54,317	118.22
Federal Revenue	85,729	335,250	285,230	(50,020)	330,250	283,489	(46,761)	232.71
TOTAL FUNDING	$877,789	$1,335,320	$1,358,820	$23,500	$1,321,465	$1,358,649	$ 37,184	54.80

Program Description: The Business Assistance Division consists of the following programs:

Small Business Advocate and Business Licensing Center - serves as the single contact to help businesses complete all licensing requirements necessary to open or remain in business.

Business Development Assistance Program - assists in providing contracting opportunities to manufacturing firms through the contract procurement market system.

Marketing Assistance Program - aids manufacturers in penetrating product markets on a local, state, regional, and national basis; conducts the "Made in Montana" campaign.

Development Finance Assistance Program - provides technical assistance in the areas of financial analysis and planning, loan packaging, bonding, business tax incentives, and the availability of public and private capital sources.

International Trade (Pacific Rim) Program - aids businesses in marketing their products outside the United States. The Pacific Rim office was established to promote tourism and Montana products in the Far East.

Business Location Program - conducts promotion and recruitment efforts to attract out-of-state firms to Montana.

Local Development Organization Assistance Program - assists local development organizations in retaining, expanding, and recruiting business.

Small Business Development Centers - located in Kalispell and Glendive to promote the development of small business operations.

Legislative Intent: The legislature moved to include language in House Bill 100 providing that the unexpended private funds of $16,589 for the supercollider effort are deposited to the general fund, and there is a general fund appropriation of $16,589 to the department for the Montana Ambassadors program to be used for projects that will promote new business or jobs.

The department's budget request for the 1993 biennium should include information documenting the accomplishments of the Pacific Rim office and show how these accomplishments benefit the State of Montana.

Budget: Personal services costs increase by 47.4 percent because of $14,100 of pay plan costs in fiscal 1990 and because the positions associated with the Small Business Development centers were not filled until very late in fiscal 1988. The Business Assistance operating budget increases as a result of: 1) a $66,557 increase in consulting services which relate to contracts with universities for the Small Business Development Centers; 2) a $6,267 increase in long-distance charges; and 3) a $40,591 increase in in-state travel. All increases relate to establishment of the Small Business Development Centers.

The operating budget for the Pacific Rim program office has increased as a result of: 1) a $102,440 increase in contracted services which funds the contract employees in Tokyo and Taipei; 2) a $31,608 increase in communication costs; 3) a $27,479 increase in travel costs; 4) a $51,632 increase in rent costs; and 5) an $18,651 increase in other costs.

The legislature approved the opening of the Pacific Rim (Tokyo) office in 1987 to promote tourism and the sale of Montana products in the Far East. The office was opened in the spring of 1988 and is staffed by a contract employee. A trade showroom to display Montana products was also established in Taipei, and a contract was established with an individual in Taipei to coordinate Montana promotion efforts in Taiwan. Fiscal 1988 expenses represent a partial year of operations. The budget represents the projected annual cost of the current operations.

Funding: Staffing and funding of the Business Assistance Division is summarized in Table 6.

Table 6
Staffing and Funding of Business Assistance Division

	Fiscal 1990				Fiscal 1991			
	FTE	General Fund	Other Funds	Total	FTE	General Fund	Other Funds	Total
Business Assistance	14.00	$559,921	$323,790	$ 883,711	14.00	$561,348	$322,626	$ 883,974
Pacific Rim	1.00	165,503	309,606	475,109	1.00	165,479	309,196	474,675
Total	15.00	$725,424	$633,396	$1,358,820	15.00	$726,827	$631,822	$1,358,649

The other funds in Business Assistance are primarily federal Small Business Development funding, and the other funds for the Pacific Rim are accommodation taxes and Growth Through Agriculture funds. The Growth Through Agriculture Program, in the Department of Agriculture provides grants to the Pacific Rim program because this program promotes the sale of Montana agricultural products in the Pacific Rim area.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $8,600 annually; 2) the pay plan adds about $14,100 to the fiscal 1990 budget and $29,300 to the fiscal 1991 budget; and 3) the executive proposal included $9,300 per year for foreign travel for Governor's Office staff that is not included in the legislative appropriation. The remaining difference in the operating budgets results from the adjustment of indirect assessments.

AGENCY: DEPARTMENT OF COMMERCE

LEGISLATIVE ACTION

PROGRAM: MONTANA PROMOTION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	15.43	15.33	16.33	1.00	15.33	16.33	1.00	0.90
Personal Services	$ 379,959	$ 399,762	$ 448,243	$ 48,481	$ 401,157	$ 465,172	$ 64,015	17.97
Operating Expenses	2,643,783	3,161,000	3,135,059	(25,941)	3,162,499	3,136,544	(25,955)	18.58
Equipment	74,368	4,000	4,000	0	1,000	1,000	0	(94.62)
Non-Operating	783,225	1,118,676	1,118,676	0	1,118,676	1,118,676	0	42.83
TOTAL EXPENSES	$3,881,335	$4,683,438	$4,705,978	$ 22,540	$4,683,332	$4,721,392	$ 38,060	21.25
FUNDING								
General Fund	$ 45	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	(100.00)
State Special Rev	3,652,822	4,331,343	4,705,978	374,635	4,331,237	4,721,392	390,155	28.83
Federal	2,095	2,095	0	(2,095)	2,095	0	(2,095)	(100.00)
Other	226,373	350,000	0	(350,000)	350,000	0	(350,000)	(100.00)
TOTAL FUNDING	$3,881,335	$4,683,438	$4,705,978	$ 22,540	$4,683,332	$4,721,392	$ 38,060	21.25

Program Description: The Montana Promotion Program is responsible for promoting the state of Montana as a vacation destination through advertising, publications, publicity, exhibits, direct contact with tour operators, and motion picture location promotion. The goal is economic development through increased non-resident visitor expenditures and revenues.

Budget: Fiscal 1988 personal services expenses include a 0.33 FTE that was transferred from the Business Regulation Division and 0.10 FTE that was added for a temporary project. The legislature approved continuance of the 0.33 FTE, which represents the part-time services of a computer programmer, and the transfer of 1.00 FTE from the Financial Division for the 1991 biennium only. Personal services increase by 18.0 percent, primarily as a result of the addition of 1.00 FTE and $14,400 of pay plan costs.

The most significant item in the operating budget is advertising expense. In fiscal 1988, advertising expenses were $1,431,805 of the program's $2,615,985 operating expenses. In fiscal 1990, the advertising budget increases by $476,296 to $1,908,101. This increase, which is based on projected increases in accommodations tax revenues, is the major change in the division's operating expense budget. There was also an $18,526 increase in consulting services to provide training to persons working in the visitor industry.

Non-operating expenses are that portion of accommodation tax revenues that are passed through to local and regional tourism promotion groups. The increase in non-operating expenses reflects the department's projections of increased accommodation tax revenues.

Funding: The program is funded by accommodations tax revenues and $350,000 in private sector assistance. Senate Bill 80 reclassified the other revenue account to state special revenue account.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $8,200 annually; 2) the pay plan adds about $14,400 to the fiscal 1990 budget and $29,900 to the fiscal 1991 budget; and 3) the legislature approved the addition of 1.00 FTE and $25,900 of annual personal services expenses for the 1991 biennium only. The difference in the operating budgets results from a decrease in the advertising budget and the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: HOUSING DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	13.00	14.00	14.00	0.00	14.00	14.00	0.00	1.00
Personal Services	$ 313,943	$ 365,246	$ 385,396	$ 20,150	$ 365,993	$ 399,580	$ 33,587	22.76
Operating Expenses	1,397,493	1,433,917	1,743,699	309,782	1,442,447	1,750,995	308,548	24.77
Equipment	0	112,847	112,847	0	2,619	2,619	0	0.00
Non-Operating	2,286	1,499	1,499	0	1,499	1,499	0	(34.43)
TOTAL EXPENSES	$1,713,722	$1,913,509	$2,243,441	$329,932	$1,812,558	$2,154,693	$342,135	30.91
FUNDING								
Proprietary	$1,713,722	$1,913,509	$2,243,441	$329,932	$1,812,558	$2,154,693	$342,135	30.91

Program Description: The Housing Division was established to provide decent, safe, and sanitary housing in the state which is within the financial capabilities of lower income persons and families. Public moneys are made available through the issuance of revenue bonds to assist private enterprise and governmental agencies in meeting critical housing needs. The board operates both single-family and multi-family programs, administers federal housing programs at the state level, renders technical assistance, and conducts other activities which fulfill the program's legislative purpose.

Legislative Intent: The legislature approved language in the general appropriations act providing that if bonding activity increases in the 1991 biennium, a budget amendment may be requested to cover the additional bonding costs.

Budget: The legislature approved the addition of 1.00 FTE through program expansion. Personal services increase by 22.8 percent primarily as a result of $18,900 in costs associated with the addition of 1.00 FTE, $12,500 of pay plan costs, and $30,000 of vacancy savings in fiscal 1988.

Fiscal 1988 operating expenses include $614,101 of expenses that were funded by a budget amendment, leaving an adjusted base of $783,392. Increases in the budget are the result of: 1) $270,491 in foreclosure fees caused by increasing rates of loan defaults; 2) a $14,351 increase in maintenance contracts; 3) a $114,860 increase in authority for trustee fees relating to Board of Housing bonds; 4) $6,386 in private legal counsel costs; 5) a $3,984 increase in audit fees; 6) a $2,938 increase in property management expenses; 7) a $5,708 increase in indirect assessments; and 8) $539,972 relating to program expansions.

The equipment budget includes $100,000 in fiscal 1990 for a one-time purchase of software for cash-flow analysis programs. The remaining equipment budget funds single-user computers and office equipment.

Program Expansions: The legislature approved the program expansion items summarized in Table 7. All items are funded with proprietary funds. Item 4 was approved subject to passage of Senate Bill 115.

Table 7
Program Expansions for the Housing Division

		Fiscal 1990			Fiscal 1991		
	FTE	Personal Services	Operating	Equipment	Personal Services	Operating	Equipment
1. Accounting Support	1.00	$18,941	$ 3,022	$1,600	$18,954	$ 3,013	$ -0-
2. Foreclosures	0.00	-0-	493,000	-0-	-0-	493,000	-0-
3. Tax-Exempt Multi-Family Bonds	0.00	600	6,900	-0-	600	4,400	-0-
4. Reverse Annuity Program	0.00	-0-	24,300	-0-	-0-	24,300	-0-
5. Home Improvement Loans	0.00	-0-	12,750	-0-	-0-	21,350	-0-
Total	1.00	$19,541	$539,972	$1,600	$19,554	$546,063	$ -0-

1. The Accounting Support program expansion provides an accounting technician and related operating expenses for single-family mortgage loan pool accounting. Since fiscal 1987, three separate series of loans have been originated, with more than 400 loans in each series, all of which require monthly reconciliation, reporting, and billing for the life of the mortgage loan pool.

2. The Foreclosures program expansion provides continuation of authority for foreclosure-related costs. This is based on Montana Board of Housing predictions that foreclosure costs will be $475,422 each year and that property management expenses will be an additional $17,578.

3. The Tax-Exempt Multi-Family Bonds program expansion will allow the Board of Housing to establish a 501(c)(3) non-profit organization to issue tax-exempt multi-family bond issues, required because the Tax Reform Act of 1986 halted the traditional MBOH tax-exempt multi-family bond issues. These issues help meet the needs for new low-income elderly and handicapped rental housing.

4. The Reverse Annuity program expansion provides for administrative costs to establish a reverse annuity program through a taxable bond issue that will allow lower income elderly homeowners to use the equity in their homes to receive a monthly cash payment for a period of ten years via a reverse mortgage. The program would use a significant portion of the proceeds from the eventual sale of the home to pay the interest and principal costs of the bond issue.

5. The Home Improvement Loans program expansion will enable the Board of Housing to provide funds to lower-income persons at below market rates. These funds would be used for residential improvements to single-family owner-occupied structures.

Funding: This program is funded through an administrative charge which is applied to the mortgages the board finances.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $7,300 annually; 2) the pay plan adds about $12,500 to the fiscal 1990 budget and $25,900 to the fiscal 1991 budget; 3) the legislative appropriation includes $311,000 per year for trustee fees relating to Board of Housing bonds that were not included in the executive request; and 4) the legislative appropriation for travel expenses is about $3,900 per year lower than the executive proposal. The remaining difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: LOCAL GOV'T ASSISTANCE ADMINISTRATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	2.00	2.00	2.00	0.00	2.00	2.00	0.00	0.00
Personal Services	$88,901	$88,529	$ 91,058	$2,529	$88,576	$ 93,742	$5,166	2.43
Operating Expenses	9,752	9,774	10,629	855	9,778	10,323	545	8.99
TOTAL EXPENSES	$98,653	$98,303	$101,687	$3,384	$98,354	$104,065	$5,711	3.08
FUNDING								
Proprietary	$98,653	$98,303	$101,687	$3,384	$98,354	$104,065	$5,711	3.08

Program Description: The Local Government Assistance Division-Administrator Program represents the budget for the operations of the administrator of the division and the division's legal counsel. The administrator supervises the functions of the Housing Assistance Bureau, the Audit Bureau, and the Systems Bureau, which includes the Local Government Block Grant, District Court Reimbursement, and County Land Planning distribution functions, and the Community Development Bureau, which includes the Coal Board and the Hard Rock Mining Board.

Budget: The budget represents a continuation of fiscal 1988 activities.

Funding: The program is funded by an assessment on all programs in the division.

Difference From Executive: The only difference between the executive recommendation and the legislative appropriation is that the pay plan adds about $2,500 to the fiscal 1990 budget and $5,100 to the fiscal 1991 budget.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE — PROGRAM: LOCAL GOV'T ASSISTANCE - HOUSING ASSISTANCE

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	0.00
Personal Services	$ 179,471	$ 181,043	$ 190,818	$ 9,775	$ 181,293	$ 197,620	$16,327	6.32
Operating Expenses	108,302	109,889	108,424	(1,465)	108,424	104,998	(3,426)	0.11
Equipment	8,655	11,330	11,330	0	350	350	0	30.91
Non-Operating	9,289,000	12,382,880	12,384,661	1,781	12,395,075	12,396,724	1,649	33.33
TOTAL EXPENSES	$9,585,428	$12,685,142	$12,695,233	$10,091	$12,685,142	$12,699,692	$14,550	32.44
FUNDING								
Federal Revenue	$9,585,428	$12,685,142	$12,695,233	$10,091	$12,685,142	$12,699,692	$14,550	32.44

Program Description: The Housing Assistance Bureau's primary function is to provide rental subsidies on behalf of eligible low-income families or individuals (including elderly, disabled, and handicapped families) and housing assistance through federally-funded certificate and voucher programs. The secondary function of the bureau is to upgrade the rental housing stock available to low-income families and individuals through rehabilitation of substandard and marginal rental properties through the Moderate Rehabilitation and Rental Rehabilitation programs.

Legislative Intent:

The Housing Assistance Bureau is proposing to do a comprehensive, statewide housing survey, mainly focusing on housing for low-income residents, during the 1991 biennium. An in-depth housing profile is needed for short- and long-term planning related to the increasing federal grant levels. In order to accomplish this task, the legislature moved to include in the general appropriations act language authorizing the bureau to submit an operations plan change that includes an additional 1.00 FTE research specialist and operating expenses for the 1991 biennium.

Budget: The operating budget represents a continuation of fiscal 1988 staffing and activity. Non-operating costs represent the federally-funded housing program administered by the bureau. The department expects an increase in the federal funding level.

Funding: The program is funded by federal housing assistance funds.

Difference From Executive: The primary differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $3,700 annually; and 2) the pay plan adds about $6,100 to the fiscal 1990 budget and $12,600 to the fiscal 1991 budget.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: LOCAL GOV'T ASSISTANCE - AUDIT

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	28.20	28.20	28.20	0.00	28.20	28.20	0.00	0.00
Personal Services	$685,743	$ 773,465	$ 814,672	$41,207	$ 774,625	$ 843,301	$68,676	18.80
Operating Expenses	233,631	257,280	264,039	6,759	252,085	256,228	4,143	13.02
Equipment	4,580	11,548	11,548	0	16,828	16,828	0	152.14
Non-Operating	43,560	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$967,514	$1,042,293	$1,090,259	$47,966	$1,043,538	$1,116,357	$72,819	12.69
FUNDING								
General Fund	$ 43,560	$ 43,560	$ 51,210	$ 7,650	$ 43,560	$ 56,440	$12,880	17.56
Proprietary Fund	923,954	998,733	1,039,049	40,316	999,978	1,059,917	59,939	12.46
TOTAL FUNDING	$967,514	$1,042,293	$1,090,259	$47,966	$1,043,538	$1,116,357	$72,819	12.69

Program Description: The Local Government Audit Program exists to perform post-audits of the financial statements of local government entities across Montana. The program also performs special entity audits in cases of suspected fraud or misappropriation of funds. The audit function is designed to protect the taxpayers' interests by verifying that the financial conditions and operations are responsibly accounted for and reported, and that local officials comply with all appropriate statutes and regulations.

Budget: The personal services budget represents a continuation of the current staffing level. The funding level increases as a result of vacant field auditor positions in fiscal 1988 and the elimination of vacancy savings. Personal services costs increased by 18.8 percent as a result of $25,400 in fiscal 1990 pay plan costs and because high turnover in auditor positions created about $107,000 of vacancy savings in fiscal 1988.

The increases in the operating budget relate primarily to an increase of $15,000 for in-state travel expenses as a result of anticipated lower vacancy rates in the field auditor positions and a $11,036 increase in indirect charges.

The equipment budget is primarily for computer equipment.

Fiscal 1988 non-operating costs represent a fund transfer.

Funding: The program receives some general fund support to cover non-billable services, but is funded primarily by fees assessed to local governments.

Difference From Executive: The only differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $15,800 annually; 2) the pay plan adds about $25,400 to the fiscal 1990 budget and $52,900 to the fiscal 1991 budget. The difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: LOCAL GOV'T ASSISTANCE - SYSTEMS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	7.00	7.00	5.30	(1.70)	7.00	5.30	(1.70)	(1.70)
Personal Services	$ 131,128	$ 207,656	$ 175,172	$(32,484)	$ 208,254	$ 181,356	$(26,898)	33.59
Operating Expenses	116,105	172,821	152,539	(20,282)	161,760	141,478	(20,282)	31.38
Equipment	0	5,424	424	(5,000)	424	424	0	0.00
Non-Operating	2,635,199	2,710,412	2,716,155	5,743	2,914,781	2,922,423	7,642	3.07
TOTAL EXPENSES	$2,882,432	$3,096,313	$3,044,290	$(52,023)	$3,285,219	$3,245,681	$(39,538)	5.62
FUNDING								
General Fund	$2,372,465	$2,686,209	$2,688,340	$ 2,131	$2,912,209	$2,916,638	$ 4,429	13.31
State Special Rev	321,626	201,000	203,270	2,270	174,000	183,168	9,168	(36.80)
Proprietary	188,341	209,104	152,680	(56,424)	199,010	145,875	(53,135)	(18.93)
TOTAL FUNDING	$2,882,432	$3,096,313	$3,044,290	$(52,023)	$3,285,219	$3,245,681	$(39,538)	5.62

Program Description: The Local Government Systems Program is responsible for development, implementation, and maintenance of uniform budgetary, accounting, and reporting systems for Montana cities, towns, counties, school districts, and single purpose districts. The staff provides special accounting assistance to local officials and ongoing training for local finance personnel, and it coordinates technical advice and assistance between state agencies and local governments. The District Court Reimbursement Program and the County Land Planning Program are also included in this program.

Legislative Intent: The legislature approved inclusion of the following language for the general appropriations act:

> If the revenues deposited to the general fund through implementation of 61-3-509, MCA, are less than the appropriation for District Court reimbursement, the department shall reduce the reimbursement to equal the revenues generated.

Budget: The personal services budget represents a reduction of 1.70 FTE as the result of elimination of two vacant accounting positions. Personal services costs increase because the $45,000 reduction associated with the elimination of 1.70 FTE is offset by $5,200 of pay plan increases and because there was about $70,000 of vacancy savings in fiscal 1988.

The operating expense budget increases as a result of: 1) an $8,582 increase in indirect costs; and 2) a $27,321 increase in audit fees in the District Court Reimbursement Program.

The non-operating expenses include grants to counties through the District Court Reimbursement Program of $2,512,885 in fiscal 1990 and $2,739,255 in fiscal 1991. This is an increase from the fiscal 1988 level of $2,227,365. Non-operating expenses also include County Land Planning grants of $203,270 in fiscal 1990 and $183,168 in fiscal 1991.

Funding: The local government systems function is funded approximately one-third by general fund and two-thirds by charges to local government units. The District Court Reimbursement Program is supported by general fund, and the County Land Planning Program is funded by coal tax revenues. Budgeted expenditures for the District Court Reimbursement Program are $2,600,000 in fiscal 1990 and $2,826,000 in fiscal 1991. Budgeted expenditures for the County Land Planning Program are $203,270 for fiscal 1990 and $183,168 for fiscal 1991. The decline is a result of decreasing coal tax revenues.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $4,200 annually; 2) the pay plan adds about $5,200 to the fiscal 1990 budget and $10,800 to the fiscal 1991 budget; 3) the legislature deleted 1.70 FTE and annual personal services costs of $41,900 that were included in the executive proposal; and 4) the legislature reduced the executive proposal for travel expenses by about $21,700 per year. The executive request included $5,000 for computer equipment that was not included by the legislature. The remaining difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: LOCAL GOV'T ASSISTANCE - COMMUNITY DEVELOPMENT

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	13.00	11.50	13.00	1.50	11.50	13.00	1.50	0.00
Personal Services	$ 390,313	$ 349,160	$ 413,438	$ 64,278	$ 349,671	$ 426,991	$ 77,320	5.92
Operating Expenses	249,463	244,456	273,495	29,039	244,489	272,551	28,062	9.63
Equipment	1,907	100	100	0	100	100	0	(94.76)
Non-Operating	6,315,831	5,183,674	8,217,844	3,034,170	5,183,069	7,673,895	2,490,826	30.12
TOTAL EXPENSES	$6,957,514	$5,777,390	$8,904,877	$3,127,487	$5,777,329	$8,373,537	$2,596,208	27.99
FUNDING								
General Fund	$ 214,625	$ 579,193	$ 213,515	$ (365,678)	$ 584,101	$ 223,866	$ (360,235)	(0.52)
State Special Rev	2,014,355	107,769	3,597,858	3,490,089	107,680	3,058,590	2,950,910	78.61
Federal Revenue	4,728,534	5,090,428	5,093,504	3,076	5,085,548	5,091,081	5,533	7.72
TOTAL FUNDING	$6,957,514	$5,777,390	$8,904,877	$3,127,487	$5,777,329	$8,373,537	$2,596,208	27.99

Program Description: The Community Development Program receives, awards, administers, and monitors federal Housing and Urban Development funds intended to assist local governments with public facilities, housing, and economic development needs. Technical assistance is provided to local governments through training workshops, publications, and data retrieval. The Coal Board and the Hard Rock Mining Board also operate within this program.

The Coal Board provides grants to local governments where adverse impacts have occurred as a result of large-scale coal development. The program is administered by a gubernatorially appointed board that acts on applications from local governments for public facilities or services intended to relieve the coal industry's related demand for public services and facilities.

The Hard Rock Mining Board assists mineral developers and local government units in preparing and implementing impact plans for new, large-scale hard rock mines; arbitrates disputes between local governments and mining companies; makes determinations on impact plan waivers; and awards grants and loans to mitigate fiscal and economic impacts of mine work force reduction and closure. The Hard Rock Mining Board receives one-third of the metalliferous mines license tax.

The revenue from the license tax after administrative expenses is transferred to a hard rock mining impact trust account. If the mine is shut down or reduces its production by over 50 percent, the county can apply for use of the trust fund account for the impact costs of the reduced tax revenues.

Legislative Intent: The legislature approved inclusion of language in the general appropriations act authorizing the Hard Rock Mining Board to spend up to $1,200,000 in each year of the biennium only for purposes specified in law, such as grants and loans to assist local governments with capital project costs related to mining activity, and the cost of efforts to diversify and develop the economic base and attract new industry. The board is to report to the legislature on any expenditures from the hard rock mitigation and arbitration account.

Budget: The personal services budget represents a continuation of fiscal 1988 staffing. Personal services increase by 5.90 percent primarily because of $12,000 of pay plan costs in fiscal 1990.

The operating budget increases as a result of: 1) a $8,166 increase in departmental indirect charges and a $4,394 increase in statewide indirect charges; 2) a $2,537 increase in travel expenses and a $2,836 increase in contracted services for the Hard Rock Mining Board; and 3) a $7,500 increase in contracted services in the Community Development Block Grant Program to provide workshops on financial packaging of block grant projects.

Non-operating costs represent the grants to local governments. Grant activity of the various programs is summarized in Table 8. As shown, grant activity increases in all these programs.

Table 8
Community Development Grants

	Fiscal 1988	Fiscal 1990	Fiscal 1991
Coal Board Grants	$1,772,144	$3,326,723	$2,783,214
Hard Rock Mining Grants*	-0-	1,200,000*	1,200,000*
Community Development Block Grants	4,543,687	4,891,121	4,890,681
Total	$6,315,831	$9,417,844	$8,873,895

* Appropriations Act language authorizes grants of up to $1,200,000 per year. This amount is not included in the dollar appropriations for this program.

The increase in Coal Board grants is based on anticipated availability of funds which results from an increase in the allocation of coal tax revenues to the board from 1.52 percent to 6.65 percent of the coal tax. Senate Bill 228 of the

1987 legislature temporarily reduced the Coal Board's allocation of the tax revenue from 6.65 percent to 1.52 percent. The Hard Rock Mining Board had no grant activity in fiscal 1988. The department expects an increase in the level of federal Community Development Block Grant funding.

Funding: The Community Development Program receives federal Housing and Urban Development funds, and also receives general fund which is used as a match for the operating costs of the program. The Coal Board is funded with 6.65 percent of the coal severance tax income, and the Hard Rock Mining Board is funded with 33 percent of the metalliferous mines license tax. Staffing and funding are summarized in Table 9.

Table 9
Community Development Program
Staffing and Funding

		Fiscal Year 1990			Fiscal Year 1991		
	FTE	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Community Assistance	3.00	$143,207	$ -0-	$ 143,207	$146,387	$ -0-	$ 146,387
Coal Board	2.50	-0-	3,486,965	3,486,965	-0-	2,945,984	2,945,984
Hard Rock Mining Board	2.00	-0-	110,315	110,315	-0-	112,216	112,216
Community Dev Blk Grant	5.50	70,308	5,094,082	5,164,390	77,479	5,091,471	5,168,950
Total	13.00	$213,515	$8,691,362	$8,904,877	$223,866	$8,149,671	$8,373,537

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $4,100 annually; 2) the pay plan adds about $12,000 to the fiscal 1990 budget and $25,000 to the fiscal 1991 budget; 3) the legislature included 1.50 FTE and annual personal services expenses of $43,600 for the Coal Board that had been eliminated from the executive proposal; 4) the legislature included about $4,550 per year more for board compensation and overtime than was in the executive request; and 5) the legislature included about $27,300 per year more for Coal Board operations than was in the executive request. The remaining difference in the operating budgets results from the adjustment of indirect assessments. The legislature also increased the Coal Board's grant authority by $3.0 million in fiscal 1990 and $2.5 million in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: INVESTMENT DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	25.80	26.00	26.00	0.00	26.00	26.00	0.00	0.20
Personal Services	$ 912,346	$ 905,352	$ 949,775	$ 44,423	$ 906,841	$ 981,735	$ 74,894	4.10
Operating Expenses	349,292	348,776	605,497	256,721	342,427	595,997	253,570	73.35
Equipment	63,006	24,000	12,000	(12,000)	24,000	12,000	(12,000)	(80.95)
Non-Operating	3,354,389	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$4,679,033	$1,278,128	$1,567,272	$289,144	$1,273,268	$1,589,732	$316,464	(66.50)
FUNDING								
General Fund	$ 2,605	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	(100.00)
Proprietary	4,676,428	1,278,128	1,567,272	289,144	1,273,268	1,589,732	316,464	(66.49)
TOTAL FUNDING	$4,679,033	$1,278,128	$1,567,272	$289,144	$1,273,268	$1,589,732	$316,464	(66.50)

Program Description: The Investment Division, through the Board of Investments, has the sole authority to invest state funds. The board directs the investment of state funds in accordance with the Montana Constitution and state statutes. The division also administers the Coal Tax Loan Program, the Industrial Development Revenue Bond Program, and the Municipal Finance Program.

Legislative Intent: Language in House Bill 100 provides that the $250,000 per year budgeted for administrative costs associated with the Conservation Reserve Enhancement Program will be funded with bond proceeds, and that no funds may be transferred into or out of that account.

Budget: Fiscal 1988 personal services include 0.80 FTE transferred to the division for part of the year. The legislature approved increasing the staffing level by 1.00 FTE by including the position transferred to the division during the 1989 biennium. Personal services costs increase primarily as a result of $28,300 of fiscal 1990 pay plan costs.

In the operating budget, audit costs associated with division operations and with bonding programs have decreased by about $12,000 from $60,112 in fiscal 1988 to $48,162 in fiscal 1990. The decrease in audit costs has been offset by a $13,000 increase in consulting costs, as a result of the cost of additional independent evaluation of investment results, and $250,000 associated with program expansion.

The equipment budget funds computer equipment and software.

The fiscal 1988 non-operating costs are transfers of coal tax interest to the general fund.

Program Expansion: Annual costs of $250,000 were added to the operating budget to cover administration costs associated with the Conservation Reserve Enhancement Program. This program, which was authorized by House Bill 717, enables farmers to borrow from the Board of Investments and repay the loan with Federal Conservation Reserve payments.

Funding: The Investment Division is funded from investment income.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $16,100 annually; 2) the pay plan adds about $28,300 to the fiscal 1990 budget and $58,800 to the fiscal 1991 budget; and 3) the legislature added $250,000 per year for administrative costs associated with the Conservation Reserve Enhancement Program. The remaining difference in the operating budgets results from the adjustment of indirect assessments. The legislature also reduced the equipment budget by $12,000 per year.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: HEALTH FACILITIES AUTHORITY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	3.00	3.00	3.00	0.00	3.00	3.00	0.00	0.00
Personal Services	$ 79,681	$ 83,987	$ 86,831	$ 2,844	$ 84,270	$ 90,167	$5,897	8.97
Operating Expenses	53,906	51,141	49,989	(1,152)	50,633	53,715	3,082	(7.27)
TOTAL EXPENSES	$133,587	$135,128	$136,820	$ 1,692	$134,903	$143,882	$8,979	2.42
FUNDING								
Proprietary	$133,587	$135,128	$136,820	$ 1,692	$134,903	$143,882	$8,979	2.42

Program Description: The Montana Health Facility Authority issues revenue bonds and notes to finance capital projects for public and private non-profit health facilities at borrowing rates below those otherwise available. Two types of programs are operated by the authority: one to provide financing for individual facilities, and the other to satisfy the capital needs of a pool of institutions.

Budget: The personal services and operating budgets represent a continuation of fiscal 1988 efforts.

Funding: The Health Facilities Authority is funded by bond fee income.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are that the pay plan adds about $2,800 to the fiscal 1990 budget and $6,000 to the fiscal 1991 budget. The difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: SCIENCE AND TECHNOLOGY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	5.00	2.00	6.00	4.00	2.00	6.00	4.00	1.00
Personal Services	$ 170,113	$ 69,512	$ 190,406	$ 120,894	$ 69,824	$196,364	$ 126,540	11.93
Operating Expenses	210,096	79,938	172,700	92,762	77,872	174,000	96,128	(17.80)
Equipment	23,283	0	0	0	0	0	0	(100.00)
Non-Operating	1,011,736	300,000	2,102,408	1,802,408	300,000	112,580	(187,420)	107.80
TOTAL EXPENSES	$1,415,228	$449,450	$2,465,514	$2,016,064	$447,696	$482,944	$ 35,248	74.21
FUNDING								
General Fund	$ 0	$449,450	$ 465,514	$ 16,064	$447,696	$482,944	$ 35,248	--
State Special Rev	1,343,246	0	2,000,000	2,000,000	0	0	0	48.89
Proprietary	71,982	0	0	0	0	0	0	(100.00)
TOTAL FUNDING	$1,415,228	$449,450	$2,465,514	$2,016,064	$447,696	$482,944	$ 35,248	74.21

Program Description: In 1985, the legislature created the Office of Science and Technology to strengthen and diversify Montana's economy by encouraging scientific and technological development within the state. In 1987, the legislature passed House Bill 600 providing authority for the Science and Technology Board to issue bonds and to provide seed capital for technology investments. In July of 1988, the Montana Supreme Court determined that House Bill 600 was unconstitutional, and the Board subsequently decided that no new seed capital investments would be made. In House Bill 683 the 1989 legislature corrected the problems in the seed capital program.

Legislative Intent: The legislature moved to include language in House Bill 100 providing that, "all income deposited to the Science and Technology Development special revenue accounted created in House Bill 683 is appropriated to the Montana Board of Science and Technology Development."

Budget: The 1987 legislature had authorized 6.00 FTE for fiscal 1988, but only 5.00 FTE were utilized. The approved personal services budget represents a continuation of the 6.00 FTE authorized for fiscal 1988. Personal services increase as a result of $5,900 of pay plan increases and including the 1.00 FTE in the budget that was not used in fiscal 1988. The operating budget represents the department's revised estimate of the funding needed to operate the programs as authorized by House Bill 683.

Non-operating items represent science and technology grants.

Funding: This program was funded with alternative energy funds but is now funded with general fund because House Bill 526 eliminated the allocation of coal tax revenues to the alternative energy fund. House Bill 683 provides that funding for seed capital loans can be provided through the in-state investment fund.

Other Legislation:

House Bill 759 appropriates $2 million from the income and earnings on the coal severance tax permanent fund to the medical research facility projects account. The money is to be used to match federally-appropriated funds on at least a four-to-one federal-to-state matching basis for construction and start-up operating costs for medical research facility projects in the state. The appropriation is administered by the Montana Science and Technology Development Board.

House Bill 683 provides that funding for science and technology development projects may be provided through loans from the in-state investment fund.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the pay plan adds about $5,900 to the fiscal 1990 budget and $11,500 to the fiscal 1991 budget; 2) the legislature authorized 4.00 FTE and about $115,000 of annual personal services expenses that were not included in the executive proposal; and 3) the legislature reduced the executive request for grants and used these funds for the additional personal services costs and for increased operating expenses. The legislature also appropriated $2 million for state funding for medical research projects.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE — PROGRAM: MONTANA LOTTERY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	38.24	35.00	35.00	0.00	35.00	35.00	0.00	(3.24)
Personal Services	$ 934,025	$ 909,160	$ 959,091	$ 49,931	$ 910,620	$ 994,421	$ 83,801	2.68
Operating Expenses	12,575,719	12,299,875	1,856,101	(10,443,774)	13,252,203	1,765,875	(11,486,328)	(85.24)
Equipment	41,977	11,200	61,200	50,000	0	40,000	40,000	45.79
Non-Operating	8,657,023	7,319,765	96,366	(7,223,399)	8,434,177	165,403	(8,268,774)	(98.89)
TOTAL EXPENSES	$22,208,744	$20,540,000	$2,972,758	$(17,567,242)	$22,597,000	$2,965,699	$(19,631,301)	(86.61)
FUNDING								
Proprietary	$22,208,744	$20,540,000	$2,972,758	$(17,567,242)	$22,597,000	$2,965,699	$(19,631,301)	(86.61)

Program Description: The Montana State Lottery was created by the electorate through the passage of Referendum 100 during the 1986 general election. The enabling legislation became effective January 1, 1987, and the first lottery tickets were sold on June 24, 1987. As currently operated, the lottery markets instant lottery games in which a player purchases a ticket for one dollar and rubs off a latex coating on the ticket to determine if he has won.

The 1987 Lottery Act provided a specific allocation formula for all lottery revenues: 45 percent of the revenue may be used as prize money; 35 percent of the revenue is distributed to the Superintendent of Public Instruction for distribution to school districts; 15 percent of the revenue may be used for general administration of the lottery program; and 5 percent may be used to pay commissions to the retailers of lottery tickets.

House Bill 207 revised the Lottery Act to remove the 15 percent limitation for administrative expenses and the requirement that 35 percent be distributed to school districts and make operating expenses subject to the appropriations process.

Budget: The legislature appropriated $2,972,758 for lottery operating expenses. Fiscal 1988 operating expenses were $3,186,184. Personal services increase by 2.7 percent primarily as a result of $31,400 of fiscal 1990 pay plan costs. Fiscal 1988 personal services exceeded the authorized level.

Funding: All lottery expenses are paid from the state lottery fund.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $18,500 annually; 2) the pay plan adds about $31,400 to the fiscal 1990 budget and $65,200 to the fiscal 1991 budget; and 3) the legislative appropriation is based on a revised executive proposal based on the provisions of the Lottery Act as revised by House Bill 207, while the original executive request was based on the original Lottery Act as it existed prior to the 1989 session.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: HORSE RACING

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	4.78	4.78	5.78	1.00	4.78	5.78	1.00	1.00
Personal Services	$103,282	$125,315	$162,582	$37,267	$125,390	$167,537	$42,147	57.42
Operating Expenses	100,614	115,027	155,694	40,667	114,871	155,110	40,239	54.74
Equipment	7,258	2,000	2,000	0	2,000	2,000	0	(72.44)
TOTAL EXPENSES	$211,154	$242,342	$320,276	$77,934	$242,261	$324,647	$82,386	51.68
FUNDING								
State Special Rev	$211,154	$242,342	$320,276	$77,934	$242,261	$324,647	$82,386	51.68

Program Description: The Horse Racing Bureau is responsible for adopting rules to govern horse racing meets and the parimutuel system in Montana. The rules adopted govern the licensing of all racing personnel, the establishment of dates for race meets, veterinary practices, and standards in connection with race meets, auditing, supervision, and investigations related to parimutuel racing.

Legislative Intent: The legislature approved inclusion of the following language in the general appropriations act:

> The Board of Horse Racing may request a budget amendment for the costs of implementing harness racing in Montana. Such request shall be considered to meet the emergency provisions of 17-7-403, MCA.

Budget: The personal services budget provides for an increase of 1.00 FTE which was added through program expansion. The bureau uses part-time employees as needed, depending on the level of racing activity. The proposed budget is higher than fiscal 1988 actual expenses as a result of anticipated increases in the need for part-time employees as the number of race days increase.

The operating budget increases as a result of: 1) about $11,000 of increases in those activities associated with the anticipated addition of 15 racing days, such as the additional race stewards and auditors; 2) about $3,135 of increased indirect assessments; and 3) $40,200 relating to program expansions.

Program Expansions: The legislature approved a program expansion to enable the board to provide a training course for new officials through the vo-techs. The total costs are budgeted at $5,800 per year. Program support is to be 100

percent state special revenue. Senate Bill 406, which authorizes regulated simulcast horse races, adds $62,100 per year and 1.00 FTE to the budget. The regulation of mule racing (Senate Bill 233) adds an additional $2,400 per year to the budget.

Funding: The Horse Racing Bureau is funded by state special revenue, which is a 1 percent tax on gross horse racing betting receipts.

Other Legislation:

Senate Bill 406 authorizes regulated simulcast of horse races.

Senate Bill 233 provides for regulation of mule racing.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $2,500 annually; 2) the pay plan adds about $4,600 to the fiscal 1990 budget and $9,500 to the fiscal 1991 budget; 3) the legislature added 1.00 FTE and annual personal services of $30,100 to handle the workload related to regulated simulcast racing authorized by Senate Bill 406; and 4) the legislature added $34,400 to the operating budget for added expenses relating to regulation of mule racing (Senate Bill 233) and simulcast horse racing (SB 406). The remaining difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE — PROGRAM: INDIAN AFFAIRS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	2.00	2.00	2.00	0.00	2.00	2.00	0.00	0.00
Personal Services	$54,254	$56,029	$61,939	$5,910	$56,061	$64,027	$7,966	14.16
Operating Expenses	27,993	31,256	32,037	781	30,969	31,544	575	14.45
TOTAL EXPENSES	$82,247	$87,285	$93,976	$6,691	$87,030	$95,571	$8,541	14.26
FUNDING								
General Fund	$82,247	$87,285	$93,976	$6,691	$87,030	$95,571	$8,541	14.26

Program Description: The Indian Affairs Coordinator serves as the Governor's liaison with the state's Indian tribes and provides information and policy support to state, local, and federal officials in the areas of tribal affairs and Indian law. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs.

Budget: The proposed budget represents a continuation of fiscal 1988 staffing and the operating budget provides for an increase in contracted services for part-time secretarial assistance and an increase in newsletter printing expenses.

Funding: The Indian Affairs Coordinator is supported with general fund.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $1,100 annually; 2) the pay plan adds about $1,900 to the fiscal 1990 budget and $3,900 to the fiscal 1991 budget; and 3) the legislature approved an upgrade of the administrative assistant position. The difference in the operating budgets results from the adjustment of indirect assessments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: RESEARCH AND INFO SERVICES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	7.33	7.83	6.83	(1.00)	8.33	7.33	(1.00)	(0.50)
Personal Services	$176,689	$223,228	$205,955	$ (17,273)	$234,652	$225,021	$ (9,631)	16.56
Operating Expenses	73,226	139,972	42,237	(97,735)	159,551	61,823	(97,728)	(42.32)
Equipment	10,572	0	0	0	14,000	14,000	0	(100.00)
TOTAL EXPENSES	$260,487	$363,200	$248,192	$(115,008)	$408,203	$300,844	$(107,359)	(4.72)
FUNDING								
General Fund	$228,291	$237,400	$248,192	$ 10,792	$282,403	$300,844	$ 18,441	8.72
Federal Revenue	32,196	125,800	0	(125,800)	125,800	0	(125,800)	(100.00)
TOTAL FUNDING	$260,487	$363,200	$248,192	$(115,008)	$408,203	$300,844	$(107,359)	(4.72)

Program Description: The Office of Research and Information Services is the central planning, coordination, and analysis unit for the department's programs. Primary functions include monitoring Montana's economy, formulating policy recommendations through the Governor's Council on Economic Development, conducting specific economic analysis projects, coordinating the departmental economic development policy group, distributing economic and demographic information through the Census and Economic Information Center, and presenting information on the department's economic development programs.

Budget: Fiscal 1988 personal services include a 0.33 FTE part-time position transferred to the program in fiscal 1988. The legislature approved continuation of the 0.33 FTE and the reduction of a 1.00 FTE to a 0.50 FTE. The operating budget decreases as a result of the loss of federal revenue. Personal services costs increase by 16.6 percent because the cost reduction associated with the 0.50 FTE reduction is offset by $6,300 of fiscal 1990 pay plan costs and $15,600 of vacancy savings in fiscal 1988.

Program Expansions: The legislature approved increased fiscal 1991 general fund expenses of $11,045 and 0.50 FTE for personal services, $19,958 for operating expenses, and $14,000 for equipment, for the office's involvement in the 1990 census.

Funding: The program receives general fund support, and federal economic development grants.

Difference From Executive: The significant differences between the executive recommendation and the legislative appropriation are: 1) the legislature did not apply vacancy savings which adds about $4,500 annually; 2) the pay plan adds about $6,300 to the fiscal 1990 budget and $14,000 to the fiscal 1991 budget; and 3) the legislative appropriation deleted 1.00 FTE and associated personal services and reduced operating expenses to reflect the loss of anticipated federal grants.



INSTITUTIONS

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF INSTITUTIONS

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Difference	FY 88-90 % Change
FTE	152.80	157.12	170.97	13.85	156.50	169.35	12.85	18.17
Personal Services	$ 3,787,264	$ 4,053,365	$ 4,615,648	$562,283	$ 4,053,542	$ 4,745,847	$ 692,305	21.87
Operating Expenses	2,992,923	3,406,202	3,462,851	56,649	3,221,963	3,253,981	32,018	15.70
Equipment	199,954	120,789	146,678	25,889	16,210	16,210	0	(26.64)
Non-Operating	6,792,524	7,191,193	7,532,099	340,906	7,190,821	7,667,232	476,411	10.89
TOTAL EXPENSES	$13,772,665	$14,771,549	$15,757,276	$985,727	$14,482,536	$15,683,270	$1,200,734	14.41
FUNDING								
General Fund	$10,613,209	$11,111,561	$11,711,812	$600,251	$10,946,858	$11,770,415	$ 823,557	10.35
State Special Rev	311,470	345,859	348,425	2,566	319,929	338,741	18,812	11.86
Federal Revenue	2,847,986	3,308,082	3,690,992	382,910	3,215,749	3,574,114	358,365	29.60
Other Revenue	0	6,047	6,047	0	0	0	0	0.00
TOTAL FUNDING	$13,772,665	$14,771,549	$15,757,276	$985,727	$14,482,536	$15,683,270	$1,200,734	14.41

Agency Description: The Central Office of the Department of Institutions provides direction and administrative support for the state's institutions and community programs involving corrections, mental health, and chemical abuse, as well as the institutional programs for the developmentally disabled. Programs within the Central Office are: the Director's Office, the Corrections Division, the Management Services Division, and the Treatment Services Division, consisting of the former Alcohol and Drug Abuse and Mental Health and Residential Services Divisions.

Legislative Intent:

Within the Corrections Division, including administration, the Women's Correctional Program, Corrections Medical, Montana State Prison, and Swan River Forest Camp, transfers may be made between line-items in excess of 5 percent of the total appropriation authority in each line-item contingent upon approval of the Governor or his designated representative.

Within the Mental Health Bureau, including central office operations, Montana Developmental Center, the Center for the Aged, Eastmont Human Services Center, the Montana Veterans' Home, and Montana State Hospital,

transfers may be made between line-items in excess of 5 percent of the total appropriation authority in each line-item contingent upon approval of the Governor or his designated representative.

Not withstanding Section 7 if the Department of Institutions is unable to recruit and hire professional positions funded in the appropriation and required for patient treatment and/or certification, it may transfer up to 100 percent of the aggregate personal services cost of each class of vacant position or the cost of the required contract, whichever is the lesser, to operating expenses for the purpose of contracting for services that would have been provided if that position were filled.

The department shall certify to the Governor or his designated representative that the department:

a) is unable to fill the position(s); and
b) the services that would be provided by that position if filled and by the proposed contract are necessary for either federal medicaid certification, or the treatment requirements of its correctional institutions.

The administration shall negotiate with registered nurses employed at state institutions concerning classification and pay exceptions for the purpose of halting the loss of these skilled health care professionals to the private sector.

It is the intent of the legislature that the department may use the personal services transfer authority granted by specific language in House Bill 100 for treatment professional positions only.

Budget: FTE increase by 18.17 as a net result of the following: 1) program expansions in the Mental Health Bureau, the Corrections Division, and the Women's Correctional Program add 22.47 FTE in fiscal 1990 and 20.85 FTE in fiscal 1991; 2) 2.30 FTE in the Corrections Division and the Mental Health Bureau, added by budget amendment in fiscal 1988, were deleted; and 3) 2.00 FTE in the Management Services Division that had been vacant for an extended period to generate vacancy savings were deleted.

Personal services increase 21.9 percent primarily due to the additional FTE, pay plan, and to the application of no vacancy savings in the 1991 biennium.

Operating expenses increase 15.7 percent mainly due to program expansions in the Mental Health, Corrections Division Administration, and Women's Correctional Program which add $321,778 in fiscal 1990 and $277,564 in fiscal 1991; and the addition of audit costs of $140,436 in fiscal 1990.

Non-operating expenses are grants to local drug and alcohol programs and to the community mental health centers. Grants to counties to compensate for falling alcohol tax revenues are increased in the 1991 biennium. These increases plus a new grant for a community youth activity program cause the rise in total expenses of 10.9 percent.

Program Expansions:

1. Additions Due to Changes in Federal HCFA Regulations - The federal Omnibus Reconciliation Act of 1987 (OBRA) made major changes in federal requirements for medicaid reimbursement of health care facilities. The major area of change is the elimination of the distinction between intermediate care facilities and skilled nursing facilities, requiring

higher levels of service and care in intermediate care facilities. Three institutions are currently certified by medicaid as intermediate care facilities: Center for the Aged, Montana Veterans' Home, and several units at Montana State Hospital, including the long-term care unit at Warm Springs and the intermediate care units at Galen. Montana Developmental Center and the Eastmont Human Services Center are certified as Intermediate Care Facilities for the Mentally Retarded (ICFMR) and were not directly impacted by the changes. Major budget impacts are caused by four new requirements: 1) all aides must be certified as competent, and must have completed 75 hours of training; 2) facilities must maintain a quality assessment and assurance committee; 3) facilities must conduct an annual review of psycho-pharmaceutical medications; and 4) facilities must have a medical director. The following table summarizes additions made to the budgets of the three impacted institutions. A more detailed explanation of the changes is included in the narratives of the individual institutions. The table does not include the pay plan.

Table 1
Changes Due to OBRA - 1991 Biennium

	Center for the Aged	Montana State Hospital	Montana Vets Home	Total
FISCAL 1990				
FTE				
Registered Nurses	1.00	1.00	1.00	3.00
Aides	8.76	2.05	1.00	11.81
Total FTE	9.76	3.05	2.00	14.81
Personal Services	$172,556	$ 61,046	$41,384	$274,986
Operating Expenses	4,478	2,364	2,364	9,206
Total General Fund	$177,034	$ 63,410	$43,748	$284,192
FISCAL 1991				
FTE				
Registered Nurses	1.00	2.00	1.00	4.00
Aides	7.33	8.01	0.49	15.83
Total FTE	8.33	10.01	1.49	19.83
Personal Services	$150,557	$195,229	$33,047	$378,833
Operating Expenses	38,849	6,942	12,154	57,945
Total General Fund	$189,406	$202,171	$45,201	$436,778

2. Additions Due to Prison Overcrowding - Average daily population (ADP) at Montana State Prison is expected to be 1,050.25 in fiscal 1990 and 1,086.75 in fiscal 1991, or 97.84 and 134.31 over the fiscal 1988 level of 952.41, respectively, and 22.25 and 58.75 over the maximum capacity of 1,028, respectively. Several measures were taken to address this overcrowding and are summarized in the table below. All costs are general fund with the exception of construction of the 96 bed housing unit. Temporary housing will be utilized until the new construction is completed. The table does not include the pay plan.

Table 2
Corrections Population Measures
1991 Biennium

	Fiscal 1990	Fiscal 1991	Biennium
Population			
Projected ADP	1,050.25	1,086.75	
Reduction Measures***			
Expanded Sex Offender Treatment - Montana State Prison	(5.00)	(6.00)	
Intensive Supervision Program - Corrections Div. Admin.	(22.00)*	(22.00)*	
Total Needed Space	1,023.25	1,058.75	
Capacity	1,028.00	1,124.00**	
Need Over (Under) Capacity	(4.75)	(65.25)	
Expenditures			
Reduction Measures			
Sex Offender Program Expansion	$ 115,183	$104,567	$ 219,750
Intensive Supervision Program	154,556*	103,770*	258,326
Additional Housing			
9.60 FTE - Montana State Prison	211,137	211,578	422,715
Variable Costs of Inmates - Montana State Prison	154,263	215,420	369,683
96 Bed Housing Unit**	1,184,000	-0-	1,184,000
Total	$1,819,139	$635,335	$2,454,474

*Total funding is for 25 inmates. However, three are anticipated to be women offenders.
**Assumes construction of 96 bed housing unit.
***As estimated by staff of Governor Schwinden's Criminal Justice and Corrections Advisory Council

The individual measures included in the table are explained in detail in the Corrections Division Administration and Montana State Prison - Care and Custody narratives.

3. HPI Drug Contract - In fiscal 1988, the department entered into a contract with a private contractor called HPI Health Care Services, Inc. to provide drug services to the institutions. The contract was established due to difficulties in hiring pharmacy positions at the state pay rate, with resulting loss of service continuity and medicaid certification problems, and to provide a centralized pharmacy function with eventual economies of scale and drug purchasing power. All pharmacist positions at the Montana State Hospital, Montana Developmental Center, Montana Veterans' Home, the Center for the Aged, and Montana State Prison, were eliminated and all pharmacy functions are now provided by HPI. In addition, the state pays HPI for the cost of all drugs prescribed and administered.

The legislature has maintained the HPI contract and the deletion of all pharmacist and pharmacy technician positions. The changes are detailed in the individual program narratives.

Funding: General fund supports the Director's Office; the Management Services Division, with the exception of some of the audit costs; the Mental Health Bureau of the Treatment Services Division; and the Corrections Division.

State special revenue consists of alcohol tax revenues, which support the administrative costs of the Chemical Dependency Bureau of the Treatment Services Division, and canteen funds from Montana State Prison for audit costs in the Management Services Division.

Federal revenue includes Supplemental Security Income (SSI) funds, and block grant and special project funds in the Treatment Services Division, and boarder reimbursement from Montana State Prison for audit costs in the Management Services Division.

Proprietary funds from Montana State Prison in the Management Services Division are for audit costs.

Other Legislation:

Senate Bill 38 requires the Department of Institutions in conjunction with the criminal justice and corrections advisory council to develop a comprehensive plan for the housing of adult female inmates and to submit the plan to the 52nd legislature.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF INSTITUTIONS PROGRAM: DIRECTOR'S OFFICE

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	9.00	9.00	9.00	0.00	9.00	9.00	0.00	0.00
Personal Services	$317,284	$337,078	$353,881	$16,803	$337,979	$365,456	$27,477	11.53
Operating Expenses	43,722	46,461	46,461	0	46,732	46,732	0	6.26
Equipment	14,161	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$375,167	$383,539	$400,342	$16,803	$384,711	$412,188	$27,477	6.71
FUNDING								
General Fund	$375,167	$383,539	$400,342	$16,803	$384,711	$412,188	$27,477	6.71

Program Description: The Director's Office of the Central Office coordinates and directs the administrative tasks of the Department of Institutions. The director, through his staff and administrative programs, assures the financial solvency and integrity of the department, assures that uniform and appropriate legal and inmate/patient treatment policies are maintained, and oversees the construction and maintenance programs of the institution campuses.

Budget: Personal services increase 11.5 percent primarily because no vacancy savings was applied in the 1991 biennium, compared to an actual rate of 8.6 percent in fiscal 1988. The department used vacancy savings to purchase equipment in fiscal 1988. Pay plan adds $9,924 in fiscal 1990 and $20,579 in fiscal 1991.

Operating expenses increase 6.3 percent due to an increase in insurance of $2,206 in fiscal 1990 and $2,216 in fiscal 1991, additional maintenance contracts of $1,172 per fiscal year, rent increases of $773 in fiscal 1990 and $807 in fiscal 1991, and an increase in travel and consulting fees for the medical review board of $1,116 each year. One-time secretarial service costs of $2,264 were eliminated.

Funding: The Director's Office is entirely funded with general fund.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to two factors: 1) the executive applied a 2 percent vacancy savings rate, which reduced personal services by $6,879 in fiscal 1990 and $6,898 in fiscal 1991; and 2) pay plan adds $9,924 in fiscal 1990 and $20,579 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF INSTITUTIONS — PROGRAM: MANAGEMENT SERVICES DIVISION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	28.00	28.00	26.00	(2.00)	28.00	26.00	(2.00)	(2.00)
Personal Services	$636,299	$ 688,308	$ 693,636	$5,328	$689,092	$719,428	$30,336	9.01
Operating Expenses	150,100	320,146	320,146	0	160,785	160,785	0	113.29
Equipment	36,071	294	294	0	0	0	0	(99.18)
Non-Operating	46,816	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$869,286	$1,008,748	$1,014,076	$5,328	$849,877	$880,213	$30,336	16.66
FUNDING								
General Fund	$869,286	$ 990,609	$ 996,096	$5,487	$849,877	$880,213	$30,336	14.59
State Special Rev	0	4,455	4,296	(159)	0	0	0	0.00
Federal Revenue	0	7,637	7,637	0	0	0	0	0.00
Other Revenue	0	6,047	6,047	0	0	0	0	0.00
TOTAL FUNDING	$869,286	$1,008,748	$1,014,076	$5,328	$849,877	$880,213	$30,336	16.66

Program Description: The Management Services Division provides technical assistance to the institutions in budgeting, accounting, and other management areas. The Reimbursement Bureau is responsible for billing and collecting for services provided to residents in the state's institutions. The Information and Systems Bureau is responsible for coordinating data processing projects within the department. The Fiscal Bureau provides fiscal information and support services to the central office, and technical assistance to the institutions in budgeting, accounting, and payroll.

Budget: FTE decrease by 2.00 due to the deletion of a data entry operator and an administrative clerk, as they were vacant for an extended period of time to generate vacancy savings.

Personal services increase 9.0 percent as a net of the following: 1) elimination of the 2.00 FTE vacant positions saved $31,930 in fiscal 1990 and $31,952 in fiscal 1991; 2) no vacancy savings was applied in the 1991 biennium, compared to 9.9 percent realized in fiscal 1988; and 3) pay plan adds $23,214 in fiscal 1990 and $48,228 in fiscal 1991.

Operating expenses rise 113.3 percent due primarily to four factors: 1) audit expenses total $159,111 in fiscal 1990, compared with an expenditure in fiscal 1988 of $18,675 of the total 1989 biennial audit costs of $162,440; 2) on-line

SBAS costs total $2,049 each year; 3) insurance increases by $5,880 in fiscal 1990 and $6,183 in fiscal 1991; and 4) Department of Administration data processing and subscription charges add $13,080 each year.

Equipment is replacement secretarial chairs.

Funding: All operations of the division with the exception of some legislative audit costs are funded with general fund. The following table shows funding of the audit in fiscal 1990.

Table 3
Legislative Audit Funding
Fiscal 1990

Fund Source	Fiscal 1990
General Fund	$141,131
State Special Revenue	
Alcohol Tax	$ 3,978
MSP Canteen	318
Total State Special Revenue	$ 4,296
Federal Revenue	
Chemical Dependency Mental Health	$ 6,683
MSP Boarder Reimbursement	954
Total Federal Revenue	$ 7,637
Other Revenue (Proprietary Funds)	
MSP Ranch	$ 2,068
MSP Industries	3,183
MSP Industries Training	796
Total Other Revenue	$ 6,047
Total Audit Fees	$159,111

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the net effect of three factors: 1) the executive included the 2.00 FTE deleted by the legislature due to their extended vacancy at $31,930 in fiscal 1990 and $31,952 in fiscal 1991; 2) the executive applied a 2 percent vacancy savings rate, which reduced personal services by $14,047 in fiscal 1990 and $14,063 in fiscal 1991; and 3) pay plan adds $23,214 in fiscal 1990 and $48,228 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF INSTITUTIONS

PROGRAM: CHEMICAL DEPENDENCY BUREAU

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	9.00	9.00	9.00	0.00	9.00	9.00	0.00	0.00
Personal Services	$ 227,517	$ 254,319	$ 267,940	$ 13,621	$ 255,012	$ 277,788	$ 22,776	17.77
Operating Expenses	88,139	107,807	97,515	(10,292)	85,639	83,175	(2,464)	10.64
Equipment	19,219	1,000	1,000	0	1,000	1,000	0	(94.80)
Non-Operating	1,630,638	1,802,801	2,041,457	238,656	1,802,801	2,072,667	269,866	25.19
TOTAL EXPENSES	$1,965,513	$2,165,927	$2,407,912	$ 241,985	$2,144,452	$2,434,630	$ 290,178	22.51
FUNDING								
General Fund	$ 215,190	$ 215,200	$ 215,200	$ 0	$ 215,200	$ 215,200	$ 0	0.00
State Special Rev	310,886	340,404	343,129	2,725	318,929	337,741	18,812	10.37
Federal Revenue	1,439,437	1,610,323	1,849,583	239,260	1,610,323	1,881,689	271,366	28.49
TOTAL FUNDING	$1,965,513	$2,165,927	$2,407,912	$ 241,985	$2,144,452	$2,434,630	$ 290,178	22.51

Program Description: The Chemical Dependency Bureau, formerly the Alcohol and Drug Abuse Division, administers chemical dependency programs and distributes state funds to certified community programs. The bureau approves treatment facilities and programs, certifies and establishes standards for chemical dependency counselors, plans and provides training for approved programs, and prepares a long-term state chemical dependency plan.

Legislative Intent: Non-operating expenses include $68,509 of federal Community Youth Activity Program funds. Because the availability of these funds in fiscal 1991 is not known, the department may submit a budget amendment in fiscal 1991 if additional funds are received.

Budget: Personal services increase 17.8 percent, primarily as there is no vacancy savings applied in the 1991 biennium, compared with an actual rate of 12.9 percent in fiscal 1988. Pay plan adds $8,431 in fiscal 1990 and $17,572 in fiscal 1991.

Operating expenses increase 10.6 percent due to three factors: 1) fiscal 1990 contract audit expenses increase $10,852; 2) insurance costs increase $1,902 in fiscal 1990 and $1,999 in fiscal 1991; and 3) $1,680 in fiscal 1990

and $2,500 in fiscal 1991 was added to allow the department to either contract for a Caring for Kids program coordinator or to print various publications and forms, or for additional program travel.

Equipment is for the purchase of films each year.

Non-operating expenses consist of three grants: 1) general fund and federal block grants to local drug and alcohol programs; 2) Community Youth Activity Program grants; and 3) federal block grants to supplement county alcohol payments. The following table shows non-operating expenses of the bureau since fiscal 1988.

Table 4
Chemical Dependency Bureau - Appropriated Non-Operating Expenses
Fiscal 1988 through Fiscal 1991

Program	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991
Drug and Alcohol				
General Fund	$ 215,190	$ 215,200	$ 215,200	$ 215,200
Federal Block Grant	895,603	818,864	896,392	896,392
Total Drug & Alcohol	$1,110,793	$1,034,064	$1,111,592	$1,111,592
Community Youth Activity Program	$ -0-	$ -0-	$ 68,509	$ -0-
County Payment				
Current Level Federal Block Grant	$ 371,697	$ 449,447	$ 371,697	$ 371,697
Supplemental Federal	148,148	(150,000)	-0-	-0-
Additional Federal Block	-0-	-0-	489,660	589,378
Total County Payment	$ 519,845	$ 299,447	$ 861,357	$ 961,075
Total Non-Operating	$1,630,638	$1,333,511	$2,041,457	$2,072,667

The Department of Institutions is statutorily allocated a portion of beer, wine, and liquor tax revenues. The tax revenues are used to fund various operations of state government, with the remainder statutorily appropriated to the counties. Because alcohol tax revenues are declining, resulting in a decrease in the county distributions, the department has supplemented distributions to the counties with federal block grant funds. In the 1991 biennium, the legislature has added an additional $489,660 in fiscal 1990 and $589,378 in fiscal 1991 over the current level county supplement in order to maintain county distributions at the fiscal 1986 level as discussed in program expansion #1.

Program Expansions:

1. Additional Federal Block Grant to Counties - As stated above, the legislature added $489,660 in fiscal 1990 and $589,378 in fiscal 1991 of federal block grants to supplement county alcohol tax distributions because of declining alcohol tax revenues. The following table shows statutory alcohol tax revenues to the counties, the current level federal block grant supplement, and the expanded block grant supplement, and compares this total to the fiscal 1986 distribution to counties.

Table 5
County Distributions
1991 Biennium

	Fiscal 1990	Fiscal 1991
Anticipated Statutory Allocation	$ 876,735	$ 702,432
Current Level Block Grant Supplement	371,697	371,697
Additional Block Grant	489,660	589,378
Total Allocations	$1,738,092	$1,663,507
Fiscal 1986 Allocations	$1,801,213	$1,801,213
1991 Biennium Allocations Over (Under) Fiscal 1986	$ (63,121)	$ (137,706)

2. Community Youth Activity Program - Federal block grant funds of $68,509 were added in fiscal 1990 to provide financial assistance to communities to develop activities targeted at the prevention of drug abuse among youth.

Funding: The bureau has four funding sources: 1) general fund, 2) earmarked alcohol tax revenues, 3) federal Supplemental Security Income (SSI) funds, and 4) federal block grant funds.

General fund is granted to local drug programs, and is maintained at the fiscal 1988 level of $215,200 each year.

State special revenue consists of earmarked alcohol tax funds. The Department of Institutions is statutorily allocated 65.5 percent of the liquor license tax, $1.00 of the $1.30 beer tax, and $0.0834 of the $0.27 wine tax, for programs for the treatment, rehabilitation, and prevention of alcoholism. A portion is used to administer state functions, with the remainder statutorily appropriated to the counties based 85 percent on population and 15 percent on land area. The following table shows allocation of the alcohol tax.

Table 6
Earmarked Alcohol Tax
Fiscal 1988 Through Fiscal 1991

	Alcohol Fiscal 1988	Appropriated Fiscal 1989	Requested Fiscal 1990	Requested Fiscal 1991
Beginning Balance	$ -0-	$ 33,838	$ -0-	$ -0-
Revenues				
Beer Tax	$ 696,980	$ 682,000	$ 691,111	$ 700,000
Wine Tax	484,690	434,000	452,445	435,244
Liquor Tax	2,177,071	2,123,510	1,920,378	1,802,069
Galen Reimbursements	107,445	190,000	107,000	106,687
Total Funds Available	$3,466,186	$3,463,348	$3,170,934	$3,044,000
Disbursements				
Chemical Dependency Admin.	$ 310,886	$ 326,700	$ 343,129	$ 337,741
Montana State Prison	46,310	51,424	53,796	55,390
Pine Hills School	29,662	29,760	30,698	31,910
Galen	1,595,600	1,595,609	1,641,792	1,689,791
Swan River Forest Camp	25,875	28,617	28,112	29,137
Forensics Lab - Dept. of Justice	143,835	143,232	192,694	197,599
Audit	--	4,061	3,978	-0-
Total Disbursements	$2,152,168	$2,179,403	$2,294,199	$2,341,568
Funds Available for Counties	$1,280,180*	$1,283,945	$ 876,735	$ 702,432

*Actual distribution

Federal funds consist of three funds: 1) SSI funds totaling $22,500 each year, which support a portion of administration; 2) Community Youth Activity Program funds of $68,509 in fiscal 1990; and 3) federal block grant, which funds a portion of the pay plan and is granted to local alcohol and drug programs and the counties. Block grant totals $1,758,574 in fiscal 1990 and $1,859,189 in fiscal 1991.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is primarily due to four factors: 1) the executive applied a 2 percent vacancy savings rate, which reduced personal services by $5,190 in fiscal 1990 and $5,204 in fiscal 1991; 2) pay plan adds $8,431 in fiscal 1990 and $17,572 in fiscal 1991; 3) the legislature appropriated additional federal block grant funds of $170,147 in fiscal 1990 and $269,866 in fiscal 1991 over the executive level to grant to the counties to make up for an expected shortfall in alcohol tax revenues; and 4) the Community Youth Activity Program totaling $68,509 in fiscal 1990 was not included in the original executive budget, as the funds became available during the legislative session.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF INSTITUTIONS — PROGRAM: MENTAL HEALTH BUREAU

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	5.80	6.62	6.62	0.00	6.00	6.00	0.00	0.82
Personal Services	$ 179,664	$ 230,155	$ 241,696	$ 11,541	$ 213,568	$ 231,106	$ 17,538	34.53
Operating Expenses	69,611	186,069	181,069	(5,000)	118,686	128,686	10,000	160.12
Equipment	15,703	0	0	0	0	0	0	(100.00)
Non-Operating	5,112,496	5,387,496	5,489,746	102,250	5,387,496	5,594,041	206,545	7.38
TOTAL EXPENSES	$5,377,474	$5,803,720	$5,912,511	$108,791	$5,719,750	$5,953,833	$234,083	9.95
FUNDING								
General Fund	$4,104,600	$4,113,598	$4,150,401	$ 36,803	$4,114,324	$4,261,408	$147,084	1.12
Federal Revenue	1,272,874	1,690,122	1,762,110	71,988	1,605,426	1,692,425	86,999	38.44
TOTAL FUNDING	$5,377,474	$5,803,720	$5,912,511	$108,791	$5,719,750	$5,953,833	$234,083	9.95

Program Description: The Mental Health Bureau, formerly the Mental Health and Residential Services Division, provides administrative supervision and coordination for the institutional and community programs for the mentally ill, developmentally disabled, geriatrics with emotional problems, and veterans. Community based services for the mentally ill are provided through contracts administered by the Mental Health Bureau with the five private, non-profit regional community mental health centers (CMHC). The bureau contracts for inpatient, emergency, day treatment, transitional living, community living support, outpatient, and prevention services. Funding for these programs is provided by general fund, federal block grant funds, medicaid, participating counties' general fund, and private reimbursement.

Legislative Intent: It is the legislature's intent that programs begun or continued via modified budget in the 1991 biennium not be requested as part of current level in the 1993 biennium.

Budget: FTE increase by 0.82 as a net result of three factors: 1) 0.80 FTE added via budget amendment in fiscal 1988 were deleted; 2) 0.62 FTE was added in fiscal 1990 for the Human Resource Development Program discussed under program expansion #2; and 3) 1.00 FTE was added each year for mental health planning activities discussed under program expansion #4.

Personal services increase 34.5 percent due to: 1) the additional staff, which adds $43,408 in fiscal 1990 and $25,987 in fiscal 1991; 2) no vacancy savings factor applied in the 1991 biennium, compared with an actual fiscal 1988 rate of 14.1 percent; and 3) pay plan, which adds $6,844 in fiscal 1990 and $13,179 in fiscal 1991.

Operating expenses rise 160.1 percent as a net result of four factors: 1) modified budgets add $122,777 in fiscal 1990 and $70,154 in fiscal 1991 as discussed under program expansions #2, #3, and #4 below; 2) expenses of the Mental Health Advisory Council were increased by $5,187 each year; 3) dues to the Western Interstate Commission for Higher Education (WICHE) of $5,000 were eliminated; as were 4) budget amendments of $11,115.

Non-operating expenses consist of grants to the five regional community mental health centers. Grants increase 7.4 percent due to increases for case management and outreach for the homeless mentally ill discussed under program expansion #1, and to provide a two percent per year increase as discussed under program expansion #5.

Program Expansions:

1. Homeless Block Grant - Federal block grant funds of $275,000 were added each year to be used to contract with the community mental health centers to provide outreach and case management services for adults with severe disabling mental illnesses who are homeless or in danger of becoming homeless.

2. Human Resource Development Program - A 0.62 FTE and related expenses totaling $34,423 was added in fiscal 1990 to continue the Human Resource Development Program begun under budget amendment in fiscal 1988. Funds will be used to assist the state to develop the capacity to identify and deal with workforce issues impacting mental health services, and to develop a state mental health human resource development plan.

3. Community Support Program - Federal funds of $49,640 in fiscal 1990 and $15,000 in fiscal 1991 were added to continue the program begun under budget amendment in fiscal 1988 to strengthen consumer and family organizations designed to serve mentally ill persons in the community or to assist those coming out of state institutions.

4. Mental Health Planning Grant - 1.00 FTE and related expenses totaling $81,603 in fiscal 1990 and $80,621 in fiscal 1991 was added to assist the state in developing an ongoing, comprehensive mental health planning process and state mental health plan. The project is funded with federal funds.

5. Community Mental Health Centers - General fund of $102,250 in fiscal 1990 and $206,545 in fiscal 1991 was added to provide a two percent per year across-the-board increase to the community mental health centers.

Funding: Administrative functions of the bureau are funded with general fund, totaling $255,228 in fiscal 1990 and $261,940 in fiscal 1991. The remainder of the general fund of $3,895,173 in fiscal 1990 and $3,999,468 in fiscal 1991 is used to purchase services at the five community mental health centers.

Federal funds consist of Alcohol, Drug Abuse, and Mental Health Services Block Grant (ADMS) of $1,319,573 each year and are used to purchase services at the CMHCs. The special federal grants described under program expansions

#1 through #4 total $441,185 in fiscal 1990 and $371,141 in fiscal 1991. In addition, $1,352 in fiscal 1990 and $1,711 in fiscal 1991 was added to fund the pay plan.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the Governor's budget applied a 2 percent vacancy savings rate, which reduced personal services by $4,697 in fiscal 1990 and $4,359 in fiscal 1991; 2) pay plan adds $6,844 in fiscal 1990 and $13,179 in fiscal 1991; 3) the Governor's budget included WICHE dues of $5,000 each year and did not include any funding for the Community Support Program in fiscal 1991; and 4) the Governor did not include an increase to the Community Mental Health Centers.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF INSTITUTIONS

PROGRAM: CORRECTIONS DIVISION ADMINISTRATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	77.00	80.50	84.50	4.00	80.50	83.50	3.00	7.50
Personal Services	$1,891,011	$2,006,176	$2,222,747	$216,571	$2,018,855	$2,283,293	$264,438	17.54
Operating Expenses	1,700,675	1,769,928	1,861,385	91,457	1,807,211	1,874,664	67,453	9.45
Equipment	89,143	113,122	123,312	10,190	13,020	13,020	0	38.33
Non-Operating	2,574	896	896	0	524	524	0	(65.19)
TOTAL EXPENSES	$3,683,403	$3,890,122	$4,208,340	$318,218	$3,839,610	$4,171,501	$331,891	14.25
FUNDING								
General Fund	$3,547,144	$3,889,122	$4,135,678	$246,556	$3,838,610	$4,170,501	$331,891	16.59
State Special Rev	584	1,000	1,000	0	1,000	1,000	0	71.23
Federal Revenue	135,675	0	71,662	71,662	0	0	0	(47.18)
TOTAL FUNDING	$3,683,403	$3,890,122	$4,208,340	$318,218	$3,839,610	$4,171,501	$331,891	14.25

Program Description: Corrections Division Administration provides coordination, supervision, and support to the correctional programs of the state. These programs include: Montana State Prison; Swan River Forest Camp; the Women's Correctional Center; the four men's pre-release centers in Billings, Missoula, Great Falls, and Butte; the women's pre-release center in Billings; and parole and probation.

Legislative Intent: General fund of $23,921 in fiscal 1990 and $48,440 in fiscal 1991 was added to the pre-release centers upon passage of a general salary increase for all state employees by the 1989 legislature.

Budget: FTE increase by 7.50 as a net of four factors: 1) 1.50 FTE added via budget amendment in fiscal 1988 were deleted; 2) 3.00 FTE were added due to the expansion of the Intensive Supervision Program discussed under program expansion #1; 3) 5.00 FTE community corrections specialists (probation and parole officers) were added each year (program expansion #5); and 4) 1.00 FTE was added in fiscal 1990 to continue the Criminal Justice and Corrections Advisory Council as discussed under program expansion #4.

Personal services increase 17.5 percent for five reasons: 1) 3.00 FTE for expanded intensive supervision add $66,717 in fiscal 1990 and $71,730 in fiscal 1991; 2) 5.00 FTE additional community corrections specialists add $120,085 in

fiscal 1990 and $120,155 in fiscal 1991 as discussed under program expansion #5; 3) vacancy savings was not applied in the 1991 biennium, compared with an actual rate of 4.2 percent in fiscal 1988; 4) 1.00 FTE to continue the Criminal Justice and Corrections Advisory Council adds $26,046 in fiscal 1990; and 5) pay plan adds $72,795 in fiscal 1990 and $149,628 in fiscal 1991.

Operating expenses increase 9.5 percent due to six factors: 1) a two percent per year increase for the pre-release centers discussed under program expansion #2 adds $23,995 in fiscal 1990 and $48,470 in fiscal 1991; 2) an increase to the pre-release centers commensurate to a pay plan increase for state employees adds $23,921 in fiscal 1990 and $48,440 in fiscal 1991, as discussed under program expansion #3; 3) operating expenses of the expanded Intensive Supervision Program (program expansion #1) total $27,569 in fiscal 1990 and $32,040 in fiscal 1991; 4) insurance rises $10,750 in fiscal 1990 and $11,569 in fiscal 1991; 5) continuation of the Criminal Justice and Corrections Advisory Council adds $45,616 in fiscal 1990, as discussed under program expansion #4; and 6) operating expenses of the additional community corrections specialists adds $29,355 in fiscal 1990 and $29,285 in fiscal 1991, as discussed under program expansion #5.

Equipment includes a vehicle, high band radios, and breathalizers. Equipment also includes $60,270 in fiscal 1990 for the Intensive Supervision Program as discussed in program expansion #1, and $50,370 for the additional community corrections specialists as discussed under program expansion #5.

Program Expansions:

1. Intensive Supervision Program - In fiscal 1988, the department began a pilot intensive supervision program in Billings. The program involves electronic monitoring and/or more intensive supervision by officers than is afforded under regular parole, with a corresponding decrease in the number of clients per officer. The program is a prison population diversion program and one of the prerequisites of the program is that the individual must have been prison-bound. A 1.00 FTE community corrections specialist (probation/parole officer) was transferred to Billings to staff the program and was maintained in current level. The legislature added the capacity for an additional 25 clients over the 25 client capacity currently in Billings at a location to be determined by the department. This addition includes 3.00 FTE: 1.00 FTE to expand the number of officers in Billings to 2.00 FTE, and 2.00 FTE officers at the new location. General fund costs of the program are $154,556 in fiscal 1990 and $103,770 in fiscal 1991. The additional funds in fiscal 1990 are for $60,270 of equipment, including office equipment, automobiles, monitoring computers, and electronic monitoring devices. The department has indicated they will investigate the option of leasing the electronic monitoring equipment. Corrections officials have stated that of the 25 additional client slots, three would be reserved for women offenders. Expanded intensive supervision was one of the recommendations of Governor Schwinden's Criminal Justice and Corrections Council.

2. Pre-Release Center Contracts - Contracts to the three private, non-profit pre-release centers at Great Falls, Billings, and Butte were increased by 2 percent each year at a general fund cost of $23,995 in fiscal 1990 and $48,470 in fiscal 1991. The total appropriation is $1,281,522 in fiscal 1990 and $1,308,164 in fiscal 1991. Average daily cost is $38.92 in fiscal 1990 and $39.73 in fiscal 1991.

3. Pre-Release Centers - General fund of $23,921 in fiscal 1990 and $48,440 in fiscal 1991 was added to contract with the three private pre-release centers to provide an increase commensurate to the pay plan for state employees.

4. Criminal Justice and Corrections Advisory Council - 1.00 FTE and related expenses totaling $71,662 were added in fiscal 1990 to continue the Criminal Justice and Corrections Advisory Council. The council was established in fiscal 1988 to thoroughly review Montana's existing criminal justice and corrections systems and recommend improvements. The department has indicated that one of the functions of the council in fiscal 1990 will be to review the women's correctional system. The council is funded with federal funds.

5. Additional Community Corrections Specialists - 5.00 FTE additional community corrections specialists (probation and parole officers) were added to the current 39.00 FTE officers. Total general fund costs are $199,810 in fiscal 1990 and $149,440 in fiscal 1991.

Funding: With the exception of $1,000 each year in donations, all continuing functions of the Corrections Division Administration are completely funded with general fund.

Federal funds in fiscal 1988 were budget amendments for drug testing, the intensive supervision program, and the Governor's Criminal Justice and Corrections Advisory Council. Federal funds in fiscal 1990 are from the U.S. Department of Justice to continue the advisory council.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive did not include any additional community corrections specialists; 2) the executive included an additional 5.00 FTE and related expenses totaling $255,369 in fiscal 1990 and $170,507 in fiscal 1991 to expand the Intensive Supervision Program to two additional cities, rather than the 3.00 FTE to expand to one additional city added by the legislature; 3) the executive did not include funds to continue the Criminal Justice and Corrections Advisory Council, which became available during the legislative session; 4) the executive budget applied a 2 percent vacancy savings rate, which reduced personal services by $40,818 in fiscal 1990 and $41,067 in fiscal 1991; 5) pay plan adds $72,795 in fiscal 1990 and $149,628 in fiscal 1991; and 6) the executive did not include the pay plan increase for the pre-release centers funded by the legislature.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF INSTITUTIONS — PROGRAM: WOMEN'S CORRECTIONS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	24.00	24.00	35.85	11.85	24.00	35.85	11.85	11.85
Personal Services	$535,489	$537,329	$ 835,748	$298,419	$539,036	$ 868,776	$329,740	56.07
Operating Expenses	175,619	195,464	235,569	40,105	199,336	239,440	40,104	34.14
Equipment	25,657	6,373	22,072	15,699	2,190	2,190	0	(13.97)
TOTAL EXPENSES	$736,765	$739,166	$1,093,389	$354,223	$740,562	$1,110,406	$369,844	48.40
FUNDING								
General Fund	$736,765	$739,166	$1,093,389	$354,223	$740,562	$1,110,406	$369,844	48.40

Program Description: The Women's Correctional Program consists of three components. The Women's Correctional Center on the Warm Springs campus of the Montana State Hospital is a minimum to medium security facility for Montana's women offenders requiring incarceration. The Billings Life Skills Pre-release Center located in Billings is a state-operated pre-release center with a capacity for 12 women inmates. The third component of the women's program is the housing of women in jails or out-of-state prisons. The Women's Correctional Facility was budgeted in fiscal 1988 for an average daily population (ADP) of 35 inmates, and the Billings Life Skills Pre-release Center was budgeted for an ADP of 10. The fiscal 1988 ADP was 35.25 on the Warm Springs campus, 9.6 at the pre-release center, with no out-of-state placements.

Emergency capacity of the Women's Correctional Center is 45. Actual population on February 9, 1989 was 46 inmates. Projections are for a population as high as 63 by fiscal 1991 year-end. The budget includes additional funds for an ADP of 40.0 in the Women's Correctional Center, and an additional $308,766 in fiscal 1990 and $293,067 in fiscal 1991 to house 10 inmates in Unit 57 of the old Forensics Unit on the Warm Springs campus. The legislature also approved $45,000 in long range building funds to remodel the facility to allow occupancy. The budget includes no funds for jail or out-of-state placements.

Budget: FTE increase by 11.85 to staff the expansion of the Women's Correctional Center into Unit 57 of the old Forensics Unit on the Warm Springs campus discussed in program expansion #2.

Personal services increase 56.1 percent for three reasons: 1) the increase in staff adds $252,962 each year; 2) no vacancy savings is applied in the 1991 biennium, compared with an actual rate of 6.0 percent in fiscal 1988; and 3) pay

plan adds $30,647 in fiscal 1990 and $61,751 in fiscal 1991.

Operating expenses increase 34.1 percent due to three factors: 1) expansion into the Forensics Unit adds $40,106 each year; 2) variable costs for the additional population at the Women's Correctional Center adds $9,069 each year; and 3) inflation adds approximately $8,000 in fiscal 1990 and $10,000 in fiscal 1991.

Equipment consists of $15,698 to equip the Forensics Unit in fiscal 1990, plus costs of various appliances, radios, and bedding for the Women's Correctional Center and the Billings Life Skills Center.

Program Expansions:

1. Average Daily Population Increase - General fund of $9,069 was added each year for an expected increase in average daily population from 35.25 to 40.0 inmates per day at the Women's Correctional Center.

2. Expansion Into the Old Forensics Unit - As stated above, the population of the Women's Correctional Center on the Warm Springs campus is currently exceeding emergency capacity. In response, the legislature has added 11.85 staff, including a 1.00 FTE correctional lieutenant, 9.60 FTE correctional officer IIs, 0.50 FTE teacher, 0.50 FTE recreational specialist, and 0.25 FTE registered nurse, to staff Unit 57 of the old Forensics Unit on the Warm Springs campus of Montana State Hospital. Variable costs for housing 10 inmates in the facility, and other related operations costs totalling $40,105 each year were also added for a total general fund cost of $308,766 in fiscal 1990 and $293,067 in fiscal 1991.

Funding: The Women's Correctional Program is funded by general fund.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the expansion into the old Forensics Unit was not included in the executive budget; 2) the executive budget applied a 2 percent vacancy savings rate, which reduced personal services by $10,560 in fiscal 1990 and $10,579 in fiscal 1991; and 3) pay plan adds $30,647 in fiscal 1990 and $61,751 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF INSTITUTIONS

PROGRAM: CORRECTIONAL MEDICAL PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
Operating Expenses	$765,057	$780,327	$720,706	$(59,621)	$803,574	$720,499	$(83,075)	(5.80)
FUNDING								
General Fund	$765,057	$780,327	$720,706	$(59,621)	$803,574	$720,499	$(83,075)	(5.80)

Program Description: The 1983 legislature authorized the consolidation of medical costs for the prison, Swan River Forest Camp, the pre-release centers, the Women's Correctional Program, and parole violators being held for revocation hearings. The intent was to pool appropriations within the Corrections Division to provide flexibility among the programs and avoid unforeseen burdens on any one program budget due to medical costs.

Budget: Operating expenses decrease 5.8 percent from the fiscal 1988 level due to the deletion of $44,400 in fiscal 1990 and $44,558 in fiscal 1991 of contracted dental expenses for Montana State Prison, as the prison has been authorized a 1.00 FTE dentist position.

Funding: The Corrections Medical Program is completely funded with general fund.

Difference From Executive: The executive increased expenditures in this program commensurate with the expected population increase in the correctional system, resulting in the difference between the legislative appropriation and the Governor's budget.

LEGISLATIVE ACTION

AGENCY: BOARD OF PARDONS

PROGRAM: BOARD SERVICES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	4.00	4.00	4.00	0.00	4.00	4.00	0.00	0.00
Personal Services	$126,466	$126,506	$132,693	$ 6,187	$126,507	$136,606	$10,099	4.92
Operating Expenses	33,355	33,648	32,419	(1,229)	32,966	31,751	(1,215)	(2.81)
Equipment	0	2,400	13,963	11,563	0	0	0	0.00
Non-Operating	441	1,056	1,056	0	1,056	1,056	0	139.46
TOTAL EXPENSES	$160,262	$163,610	$180,131	$16,521	$160,529	$169,413	$ 8,884	12.40
FUNDING								
General Fund	$160,262	$163,610	$180,131	$16,521	$160,529	$169,413	$ 8,884	12.40

Program Description: The Board of Pardons oversees Montana's inmate parole and furlough programs. The board also reviews requests for executive clemency and makes recommendations to the Governor concerning those requests. The board consists of three members and an auxiliary member who are appointed by the Governor. At least one member is required to have particular knowledge of Indian culture and problems. Members are compensated $50 for each day that board duties are actually and necessarily performed. In addition, board members are compensated for actual travel expenses incurred while performing board duties. The board has four full-time employees, located in Deer Lodge, who perform support and administrative duties for the board.

Legislative Intent: Operating expenses include $4,838 each year to be used for travel to out-of-state parole board hearings only. If actual expenditures are less than $4,838, the excess shall revert to the general fund.

Budget: Personal services rise 4.9 percent due to the addition of pay plan of $3,637 in fiscal 1990 and $7,550 in fiscal 1991, and to the addition of $2,550 per diem each fiscal year. This restores the per diem for board members to the fiscal 1989 appropriated level of $19,800 each year.

Operating expenses decrease 2.8 percent as a net result of the following: 1) $1,809 was added to allow additional travel to out-of-state parole hearings; 2) miscellaneous court reporter fees, consultant travel, court transcripts, and supplies add $1,731 in fiscal 1990 and $783 in fiscal 1991; 3) copier rent of $1,140 in fiscal 1990 and $1,300 in fiscal 1991 was added and maintenance contracts on the old machine of $798 were removed; 4) the addition of an automobile in equipment reduces in-state personal car mileage by $2,658 each year while increasing insurance, maintenance, and

gasoline by $579 in fiscal 1990 and $773 in fiscal 1991; and 5) Department of Administration phone charges of $2,417 were eliminated due to the board's lease/purchase of a phone system.

Equipment includes a computer totaling $5,313 and a car totaling $8,650.

Non-operating expenses are for the lease/purchase of the telephone system.

Funding: The Board of Pardons is completely supported by general fund.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive budget includes per diem for members at the actual fiscal 1988 level of $17,250, while the legislature added $2,550 to bring per diem back to the 1989 appropriated level; 2) the executive did not include an automobile or related expenditures of $6,571 in fiscal 1990; and 3) pay plan adds $3,637 in fiscal 1990 and $7,550 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE PRISON

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	408.48	421.16	421.99	0.83	421.16	421.16	0.00	13.51
Personal Services	$10,165,687	$10,659,661	$11,418,099	$ 758,438	$10,701,664	$11,825,224	$1,123,560	12.32
Operating Expenses	5,365,377	6,200,060	8,115,766	1,915,706	6,719,243	7,167,914	448,671	51.26
Equipment	220,960	290,932	667,882	376,950	301,676	128,891	(172,785)	202.26
Non-Operating	66,200	16,500	33,000	16,500	16,500	0	(16,500)	(50.15)
TOTAL EXPENSES	$15,818,224	$17,167,153	$20,234,747	$3,067,594	$17,739,083	$19,122,029	$1,382,946	27.92
FUNDING								
General Fund	$12,458,670	$13,022,787	$15,992,342	$2,969,555	$13,178,168	$15,104,622	$1,926,454	28.36
State Special Rev	1,121,688	1,402,047	985,665	(416,382)	1,656,166	1,214,640	(441,526)	(12.13)
Federal Revenue	224,998	127,713	156,159	28,446	127,760	129,358	1,598	(30.60)
Proprietary Fund	2,012,868	2,614,606	3,100,581	485,975	2,776,989	2,673,409	(103,580)	54.04
TOTAL FUNDING	$15,818,224	$17,167,153	$20,234,747	$3,067,594	$17,739,083	$19,122,029	$1,382,946	27.92

Program Description: Montana State Prison provides low, high, and maximum security for Montana's male inmate population. In addition, the prison provides work, education, and training for inmates through the ranch and dairy operation, the Industries Program, and the Industries Training Program. The prison has a design capacity of 744 inmates. Average daily population was 958 in fiscal 1988. The prison has six programs: 1) care and custody, 2) ranch and dairy, 3) license plate factory, 4) industries, 5) canteen, and 6) industries training.

Budget: FTE increase by 13.51 due to: 1) program expansions in the Care and Custody Program which add 14.60 FTE each year; 2) the annualization from 0.17 FTE to 1.00 FTE of a dentist position; 3) the deletion of 2.25 FTE added via budget amendment in fiscal 1988; 4) the deletion of 0.50 FTE pharmacist position, as all drug services are now contracted through a private contractor; and 5) the addition in fiscal 1990 of 0.83 FTE to continue a Bureau of Justice grant begun via budget amendment in fiscal 1989.

Personal services increase 12.3 percent due to five factors: 1) no vacancy savings was taken in the 1991 biennium, compared with a realized rate of approximately 5.5 percent in fiscal 1988; 2) the net change in FTE, which adds $362,790 in fiscal 1990 and $335,904 in fiscal 1991; 3) an accounting change, whereby all inmate pay will now be included in

personal services (it was included in operating expenses in the 1989 biennium in the Care and Custody Program) which adds $209,931 in fiscal 1990 and $217,296 in fiscal 1991; 4) an increase in inmate pay in the ranch and industries programs and the license plate factory totaling $39,752 each year; 5) House Bill 245, which adds $11,557 in fiscal 1990 and $5,777 in fiscal 1991; and 6) pay plan, which adds $398,356 in fiscal 1990 and $793,972 in fiscal 1991.

Operating expenses increase 51.3 due primarily to ten factors: 1) an expected increase in population adds variable costs of $137,499 in fiscal 1990 and $191,291 in fiscal 1991; 2) inflation adds approximately $205,000 in fiscal 1990 and $300,000 in fiscal 1991; 3) expansions in the ranch and dairy add $209,373 in fiscal 1990 and $210,692 in fiscal 1991; 4) an expansion in the industries program due to a projected increase in sales adds $198,028 in fiscal 1990 and $319,234 in fiscal 1991; 5) an increase in canteen sales adds $307,847 in fiscal 1990 and $535,226 in fiscal 1991; 6) expansion of the industries training program adds $56,969 in fiscal 1990 and $56,290 in fiscal 1991; 7) passage of House Bill 245 adds $1,799,883 in fiscal 1990 and $325,289 in fiscal 1991; 8) passage of House Bill 795 adds $25,000 over the biennium; 9) a reduction in insurance reduces expenditures by $48,081 in fiscal 1990 and $46,794 in fiscal 1991; and 10) reclassification of inmate pay to personal services reduces expenses by $193,167 each year.

Non-operating expenses are construction projects at the ranch and dairy.

Funding: General fund increases 28.4 percent due to four factors: 1) overall program expansion in the Care and Custody and Industries Training programs; 2) passage of House Bill 245, which creates new design license plates for issuance in calendar 1991; 3) pay plan; and 4) the transfer of all motor vehicle funds in the license plate factory to the general fund. The transfer was made due to the passage of House Bill 744, which de-earmarked the motor vehicle state special revenue fund and funds the license plate factory with general fund. State special revenue funds the canteen and chemical dependency counselors in the Care and Custody Program. The decrease of 12.1 percent is due to the transfer of motor vehicle funds to the general fund.

Federal revenue is made up of federal boarder reimbursement and various education funds. Federal funds decrease due to the removal of budget amendments and one-time funds from the current level base.

Proprietary funds are income from the sale of products in the ranch, industries, and industries training programs, and income from the sale of collegiate license plates, which are used to manufacture the special plates. Proprietary funds increase due to anticipated sales increases and increased activities at the ranch and dairy, and establishment of the collegiate license plates.

Other Legislation:

House Bill 84 requires the registration of all sexual offenders by the Department of Institutions and local law enforcement agencies. The bill also requires that all persons incarcerated in Montana State Prison for a sexual offense enroll in the educational phase of the prison's sexual offender program.

House Bill 245 appropriates $1,811,440 in fiscal 1990 and $331,066 in fiscal 1991 to the Department of Institutions to manufacture new design license plates for issuance in calendar 1991.

House Bill 795 establishes a collegiate license plate. Proprietary funds of $25,000 were added to the License Plate Factory at Montana State Prison to implement the bill.

House Bill 744 de-earmarks the state motor vehicle account. As a result, funding of the License Plate Factory at Montana State Prison is converted from state special revenue to the general fund.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE PRISON

PROGRAM: CARE AND CUSTODY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	384.73	397.41	398.24	0.83	397.41	397.41	0.00	13.51
Personal Services	$ 9,394,815	$ 9,796,684	$10,471,482	$674,798	$ 9,825,305	$10,848,063	$1,022,758	11.46
Operating Expenses	3,061,447	3,150,621	3,178,110	27,489	3,284,330	3,316,709	32,379	3.81
Equipment	80,734	60,588	60,588	0	50,000	50,000	0	(24.95)
TOTAL EXPENSES	$12,536,996	$13,007,893	$13,710,180	$702,287	$13,159,635	$14,214,772	$1,055,137	9.36
FUNDING								
General Fund	$12,318,856	$12,855,163	$13,528,162	$672,999	$13,006,864	$14,058,605	$1,051,741	9.82
State Special Rev	46,310	52,008	53,796	1,788	51,994	55,390	3,396	16.16
Federal Revenue	171,830	100,722	128,222	27,500	100,777	100,777	0	(25.38)
TOTAL FUNDING	$12,536,996	$13,007,893	$13,710,180	$702,287	$13,159,635	$14,214,772	$1,055,137	9.36

Program Description: The Care and Custody Program includes the housing, security, general operations, and administration of the prison.

The budget includes an increase in the average daily population (ADP) from the fiscal 1988 level of 952.41 to 1,050.25 in fiscal 1990 and 1,086.75 in fiscal 1991, or an increase of 97.84 in fiscal 1990 and 134.34 in fiscal 1991. The emergency capacity of the prison is estimated to be 1,028. The average daily population at the prison in May of 1989 was 1,081.2 inmates. The budget includes staff for a new 96-bed housing unit approved by the legislature and for converted administrative and storage space.

Budget: FTE increase by 13.51 due to the net of seven factors: 1) a 0.17 FTE dentist position added in fiscal 1988 was annualized to a full 1.00 FTE and dental expenses in the Corrections Medical Program were reduced commensurate to the cost of the dentist; 2) 9.60 FTE correctional officers were added to staff additional housing as discussed under program expansion #1; 3) 1.00 FTE food service supervisor was added as discussed under program expansion #2; 4) 4.00 FTE were added to expand the Sex Offender Treatment Program as discussed under program expansion #3; 5) 0.83 FTE was added in House Bill 619, the budget amendment bill, to continue the Bureau of Justice grants begun via budget amendment in the 1989 biennium; 6) 2.25 FTE added via budget amendment in fiscal 1988 were deleted; and 7) 0.50 FTE pharmacist was deleted, as all drug services are now contracted through a private corporation.

Personal services rise 11.5 percent as a net result of five factors: 1) a reduction in benefits from 28.9 percent of salaries in fiscal 1988 to 26.8 percent in fiscal 1990 and 26.2 percent in fiscal 1991 due primarily to a reduction in the workers' compensation experience modification factor; 2) the net change in FTE, which adds $362,790 in fiscal 1990 and $335,904 in fiscal 1991; 3) no vacancy savings applied in the 1991 biennium, compared with a fiscal 1988 actual rate of 5.0 percent; 4) pay plan, which adds $369,308 in fiscal 1990 and $741,990 in fiscal 1991; and 5) an accounting change, whereby all inmate pay totaling $209,931 in fiscal 1990 and $217,296 in fiscal 1991 is included in personal services rather than operating expenses. Inmate pay was increased by $16,764 in fiscal 1990 and $24,129 in fiscal 1991 due to the anticipated increase in population.

Operating expenses rise 3.8 percent primarily as a net result of six factors: 1) the population increase adds variable costs of $137,499 in fiscal 1990 and $191,291 in fiscal 1991; 2) drugs increase $36,262 each year, as fiscal 1988 does not represent total expenditures due to a credit received when the drug inventory was purchased by the pharmacy contractor; 3) inflation adds approximately $180,000 in fiscal 1990 and $265,000 in fiscal 1991; 4) the management fee for HPI pharmacy services adds $11,389 in fiscal 1990 and $11,958 in fiscal 1991 compared to a partial year expense of $5,746 in fiscal 1988 (the 0.50 FTE pharmacist would have cost $14,186 in fiscal 1990 and $14,182 in fiscal 1991); 5) inmate pay was reclassified as a personal services expense thereby reducing operating expenses by $193,167 each year; and 6) insurance costs decrease by $48,081 in fiscal 1990 and $46,794 in fiscal 1991 from the fiscal 1988 level of $110,140. The higher insurance cost in fiscal 1988 was attributed to a disturbance at the prison in 1982 that had increased the rates but is no longer a factor in calculating the cost.

Equipment is included at $50,000 each year to be expended at the discretion of the program managers. Fiscal 1990 also includes modified equipment of $10,588 for the Sex Offender Treatment Program.

Program Expansions:

1. Prison Expansion - In addition to the variable cost increases described above, general fund of $211,137 in fiscal 1990 and $211,578 in fiscal 1991 for 9.60 FTE correctional officers was added each year due to projected increases in the inmate average daily population to 1,050.25 in fiscal 1990 and 1,086.75 in fiscal 1991. Because this level is above emergency capacity of the prison, the FTE were added to staff additional housing that will have to be utilized. A 96-bed housing unit was approved by the legislature, with a projected completion date of midway through fiscal 1991. Corrections officials have indicated the inmates would be housed in living space converted from administrative and storage space until completion of any housing unit. The officers would be utilized to staff the additional housing unit and/or the converted space.

The following table shows total increases to the Montana State Prison due to the projected increase in population. The table does not include pay plan.

Table 1
Montana State Prison Additions for Population Increase*
1991 Biennium

	Fiscal 1990	Fiscal 1991	Biennium
9.60 FTE Staff	$211,137	$211,578	$422,715
Variable Inmate Costs			
Personal Services (Inmate Pay)	16,764	24,129	40,893
Operating Expenses	137,499	191,291	328,790
Total General Fund	$365,400	$426,998	$792,398

*Does not include $1.2 million projected cost of a 96-bed housing unit approved by the legislature.

2. Food Service Supervisor - 1.00 FTE food service supervisor and general fund of $23,107 in fiscal 1990 and $23,101 in fiscal 1991 was added to provide a higher degree of supervision due to past and anticipated population increases at Montana State Prison.

3. Sex Offender Treatment Program - 4.00 FTE, including 2.00 FTE psychologists, 1.00 FTE social worker, and 1.00 FTE clerical support were added to expand the Sex Offender Treatment Program at the prison, as recommended by Governor Schwinden's Criminal Justice and Corrections Advisory Council. The impact on population is estimated to be a reduction of 5 in fiscal 1990 and 6 in fiscal 1991. This decrease would be due primarily to a reduction in length of stay, as completion of the sex offender program is anticipated to increase an offender's chances of gaining parole and/or gaining parole earlier than would be the case without completion of the program. Total costs are $115,183 in fiscal 1990 and $104,567 in fiscal 1991 of general fund.

Funding: The Care and Custody Program is funded primarily with general fund, which increases by 9.8 percent. State special revenue consists of alcohol tax, which funds 2.00 FTE chemical abuse counselors.

Federal revenue consists of five funds: 1) adult basic education funds from the Department of Education totaling $16,473 each year; 2) federal boarder reimbursement, which are payments made for each day an inmate under federal jurisdiction is at the prison, totaling $80,491 each year; 3) Chapter I funds from the Department of Education of $3,204 each year; 4) Chapter II funds at $554 in fiscal 1990 and $609 in fiscal 1991; and 5) Bureau of Justice funds of $27,500 in fiscal 1990 to continue a project begun via budget amendment in the 1989 biennium. Federal funds decrease 25.4 percent from fiscal 1988 due to the removal of one-time funds totaling $21,525 and funds added via budget amendment of $51,132.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings rate, which reduced personal services by $185,927 in fiscal 1990 and $186,065 in fiscal 1991; 2) the executive did not include benefits on holidays worked, differential, or overtime, which reduced personal services by $92,063 in fiscal 1990 and $94,703 in fiscal 1991; 3) pay plan adds $369,308 in fiscal 1990 and $741,990 in fiscal 1991; 4) the legislature added an additional 9.75 average daily population totaling $16,336 each year; 5) the legislature added repair and maintenance and drugs totaling $11,153 in fiscal 1990 and $16,043 in fiscal 1991 over the level requested in the executive budget; and 6) the executive budget totals do not include 0.83 FTE and $27,500 of personal services to continue the Bureau of Justice grant.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE PRISON

PROGRAM: RANCH AND DAIRY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	12.75	12.75	12.75	0.00	12.75	12.75	0.00	0.00
Personal Services	$ 393,486	$ 424,773	$ 473,267	$ 48,494	$ 425,544	$ 486,334	$ 60,790	20.28
Operating Expenses	579,940	796,688	801,688	5,000	802,878	807,878	5,000	38.24
Equipment	119,231	212,200	533,400	321,200	224,200	0	(224,200)	347.37
Non-Operating	57,965	16,500	33,000	16,500	16,500	0	(16,500)	(43.07)
TOTAL EXPENSES	$1,150,622	$1,450,161	$1,841,355	$391,194	$1,469,122	$1,294,212	$(174,910)	60.03
FUNDING								
Other Revenue	$1,150,622	$1,450,161	$1,841,355	$391,194	$1,469,122	$1,294,212	$(174,910)	60.03

Program Description: The Prison Ranch and Dairy provides work and training for inmates. The ranch provides milk, cottage cheese, ice cream, and yogurt to the other state institutions. The objective of the program is to provide a minimum of 50 inmates per month with training and experience in a wide range of ranch and dairy skills. The average monthly number of inmates who worked 15 or more days per month in fiscal 1988 was 46.

Budget: Personal services increase 20.3 percent for five reasons: 1) there is no vacancy savings applied in the 1991 biennium, compared with an actual rate in fiscal 1988 of 12 percent; 2) inmate pay is increased $17,302 each year in anticipation of an increase in the workforce from a monthly average of 46 to an average of 64; 3) $21,447 is added each year to compensate civilian employees for a portion of their uncompensated overtime; 4) pay plan adds $14,405 in fiscal 1990 and $26,693 in fiscal 1991; and 5) benefits as a percent of salaries decrease from 24.4 percent in fiscal 1988 to 20.8 percent in the 1991 biennium due to a drop in the workers' compensation modification factor.

Operating expenses rise 38.2 percent due to: 1) increases in corn and solid feed costs of $106,441 each year; 2) an increase in inventory of $10,000 each year; 3) increases for contingencies such as the purchase of hay, the necessity of water rights legal counsel, weed spraying, custom cutting, and hauling of $69,632 each year; 4) increases totaling $20,540 in fiscal 1990 and $20,962 in fiscal 1991 for potential increases in land under cultivation, garden size, and cattle herd; and 5) an increase of $11,500 each year for increased maintenance on vehicles.

Equipment is a biennial appropriation for agricultural and landscaping equipment.

Non-operating costs are capital expenditures for the construction of buildings.

Funding: The Prison Ranch and Dairy is funded with income generated from ranch and dairy operations.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings rate, which reduced personal services by $7,122 in fiscal 1990 and $7,130 in fiscal 1991; 2) the executive did not include benefits on holidays worked, differential, or overtime, which reduced personal services by $5,520 each year; 3) the executive budget totals do not include $21,447 each year for supervisor overtime added by the legislature; 4) pay plan adds $14,405 in fiscal 1990 and $26,693 in fiscal 1991; 5) the legislature added $5,000 for legal fees not included in the executive budget; and 6) the legislature added $97,000 over the biennium in equipment over the executive budgeted level.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE PRISON — PROGRAM: LICENSE PLATE FACTORY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	2.00	2.00	2.00	0.00	2.00	2.00	0.00	0.00
Personal Services	$ 59,679	$ 65,658	$ 79,932	$ 14,274	$ 65,644	$ 75,960	$ 10,316	33.94
Operating Expenses	389,119	352,512	2,235,729	1,883,217	379,278	790,570	411,292	474.56
TOTAL EXPENSES	$448,798	$418,170	$2,315,661	$1,897,491	$444,922	$866,530	$ 421,608	415.97
FUNDING								
General Fund	$ 0	$ 0	$2,290,661	$2,290,661	$ 0	$866,530	$ 866,530	0.00
State Special Rev	448,798	418,170	0	(418,170)	444,922	0	(444,922)	(100.00)
Proprietary Fund	0	0	25,000	25,000	0	0	0	0.00
TOTAL FUNDING	$448,798	$418,170	$2,315,661	$1,897,491	$444,922	$866,530	$ 421,608	415.97

Program Description: The License Plate Factory at Montana State Prison manufactures licenses for the state of Montana. This program is not one of the prison industries enterprises; however, it does provide work for approximately 17 inmates each month.

Legislative Intent: Operating expenses contain $20,018 in fiscal 1990 and $30,018 in fiscal 1991 as a contingency for major repairs and overhauls in the event of a major equipment breakdown. If actual expenditures are less than these amounts, the balances shall revert to the general fund.

Budget: Personal services show a net increase of 33.9 percent due primarily to five factors: 1) inmate pay increases by $4,109 each year to $15,526. This expenditure level will accommodate a crew size of 18, compared with an average crew size of 12 in fiscal 1988; 2) no vacancy savings is applied in the 1991 biennium, compared with an actual rate of 15.7 percent in fiscal 1988; 3) benefits as a percent of salaries decreases from 23.1 percent in fiscal 1988 to 19.4 percent in the 1991 biennium. The decrease is due to a drop in the workers' compensation modification factor; 4) pay plan adds $1,704 in fiscal 1990 and $3,526 in fiscal 1991; and 5) passage of House Bill 245, which establishes new license plates to be distributed in calendar 1991, adds $11,557 in fiscal 1990 and $5,777 in fiscal 1991.

Operating expenses increase 474.6 percent for four reasons: 1) an increase in repair and maintenance of $13,335 in fiscal 1990 and $23,335 in fiscal 1991 as a contingency in the event of major equipment breakdown; 2) an increase of

$2,725 in fiscal 1990 and $45,818 in fiscal 1991 for aluminum, scotchlite, and other materials necessary for the manufacture of license plates; the increase from fiscal 1990 to 1991 is due to the utilization of inventory stockpiles in fiscal 1990; 3) an increase of $1,799,883 in fiscal 1990 and $325,289 in fiscal 1991 to implement House Bill 245; and 4) an increase of $25,000 for the biennium to implement House Bill 795, which establishes special collegiate license plates.

Funding: All regular operations of the License Plate Factory are completely funded by general fund. Prior to the 1991 biennium, the program had been funded by motor vehicle state special revenue funds through the Department of Justice. House Bill 744 approved by the 1989 legislature de-earmarked the account and all motor vehicle funds will now be deposited to the general fund.

Proprietary funds consist of revenue from the sale of collegiate license plates and fund their manufacture.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings rate, which reduced personal services by $1,013 each year; 2) pay plan adds $1,704 in fiscal 1990 and $3,526 in fiscal 1991; 3) the executive had included aluminum for the manufacture of license plates at $1.00 per pound, compared to the $1.70 per pound funded by the legislature, which adds $53,316 in fiscal 1990 and $70,985 in fiscal 1991 over the executive level; 4) the legislature added an additional $5,018 in fiscal 1990 and $15,018 in fiscal 1991 over the executive for repair and maintenance; and 5) the executive budget totals do not include funds to implement House Bills 245 and 795.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE PRISON

PROGRAM: PRISON INDUSTRIES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	5.25	5.25	5.25	0.00	5.25	5.25	0.00	0.00
Personal Services	$182,217	$214,427	$227,179	$12,752	$ 227,081	$ 244,780	$17,699	24.67
Operating Expenses	485,103	688,525	688,525	0	813,273	813,273	0	41.93
Equipment	6,567	15,000	70,750	55,750	15,000	66,415	51,415	977.36
TOTAL EXPENSES	$673,887	$917,952	$986,454	$68,502	$1,055,354	$1,124,468	$69,114	46.38
FUNDING								
Other Revenue	$673,887	$917,952	$986,454	$68,502	$1,055,354	$1,124,468	$69,114	46.38

Program Description: The Prison Industries Program provides work opportunities for the inmates to prevent idleness, to train inmates in job skills and work habits, and to provide products and services to public agencies and the private sector. The program includes furniture manufacturing, furniture refinishing and restoration, upholstery, sign manufacturing, printing, logging, post and pole operation, and jack-leg fence construction. Sales to state agencies are through the state procurement system and sales to the private sector are through licensed furniture outlets.

Legislative Intent:

The department may submit budget amendments to hire 1.00 FTE marketing representative, 2.00 FTE shop supervisors, and 1.00 FTE prison industries procurement coordinator, if funding is available.

Budget: Personal services increase 24.6 percent for three reasons: 1) no vacancy savings is applied in the 1991 biennium, compared with an actual rate of 12.7 percent in fiscal 1988; 2) pay plan adds $7,305 in fiscal 1990 and $12,251 in fiscal 1991; and 3) inmate pay increases from $49,926 in fiscal 1988 to $63,918 in fiscal 1990 and $76,500 in fiscal 1991 due to a projected increase in sales. Total inmate pay is based on a percentage of total sales.

Operating expenses increase 41.9 percent due to increases in materials and related expenses used in the manufacture of the program's products. The budget assumes an increase in sales of 26.1 percent in fiscal 1990 and a further 24.2 percent in fiscal 1991.

Equipment of $70,750 in fiscal 1990 and $66,415 in fiscal 1991 is to be expended at the discretion of the program's managers.

Funding: Prison Industries is self-supporting, and funded entirely with revenue generated through sales of its products.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings rate, which reduced personal services by $2,802 each year; 2) an adjustment in benefits added $2,645 each year; 3) pay plan adds $7,305 in fiscal 1990 and $12,251 in fiscal 1991; and 4) the legislature funded the agency requested level of equipment, or $55,750 in fiscal 1990 and $51,415 in fiscal 1991 over the executive budgeted level.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE PRISON

PROGRAM: PRISON CANTEEN

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	$624,036	$931,869	$931,869	$0	$1,159,250	$1,159,250	$0	49.33
Equipment	2,544	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$626,580	$931,869	$931,869	$0	$1,159,250	$1,159,250	$0	48.72
FUNDING								
State Special Rev	$626,580	$931,869	$931,869	$0	$1,159,250	$1,159,250	$0	48.72

Program Description: The Prison Canteen provides an institution store for the inmates to purchase personal and incidental items. The canteen is supported through funds generated from its operation with the exception of 2.00 FTE store managers, who are supported by general fund. Current sales are not sufficient to support the store manager positions. Any profits from the operation are deposited to the inmate welfare fund.

Budget: Operating expenses assume a continuation of a 24.4 percent sales growth over anticipated fiscal 1989 sales, resulting in the increase of 49.3 percent.

Funding: The canteen is supported with state special revenue funds from the sale of canteen items.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE PRISON

PROGRAM: PRISON INDUSTRIES TRAINING

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	3.75	3.75	3.75	0.00	3.75	3.75	0.00	0.00
Personal Services	$135,490	$158,119	$166,239	$8,120	$158,090	$170,087	$11,997	22.69
Operating Expenses	225,732	279,845	279,845	0	280,234	280,234	0	23.97
Equipment	11,884	3,144	3,144	0	12,476	12,476	0	(73.54)
Non-Operating	8,235	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$381,341	$441,108	$449,228	$8,120	$450,800	$462,797	$11,997	17.80
FUNDING								
General Fund	$139,814	$167,624	$173,519	$5,895	$171,304	$179,487	$ 8,183	24.11
Federal Revenue	53,168	26,991	27,937	946	26,983	28,581	1,598	(47.46)
Proprietary Fund	188,359	246,493	247,772	1,279	252,513	254,729	2,216	31.54
TOTAL FUNDING	$381,341	$441,108	$449,228	$8,120	$450,800	$462,797	$11,997	17.80

Program Description: The Industries Training Program was approved by the 1983 legislature as a result of Senate Bill 1 of Special Session II in fiscal 1982. The program includes auto and heavy equipment repair and maintenance, industrial arts, meat cutting, horticulture, business skills, career counseling, and telemarketing.

Legislative Intent:

The department may submit budget amendments to hire a 0.25 FTE horticulturist and a 1.00 FTE vehicle maintenance shop supervisor if funding is available.

The department is authorized to maintain a cash balance of not more than $16,000 at the end of each fiscal year in the prison industries training proprietary account. Any funds in excess of $16,000 in the proprietary account are subject to the provisions of section [3] (of the general appropriations act).

Budget: Personal services increase 22.7 percent due to three factors: 1) no vacancy savings was applied in the 1991 biennium, compared to an actual rate of 13.5 percent in fiscal 1988; 2) inmate pay was increased $4,349 each year due to an anticipated increase in the number of students in training; and 3) pay plan adds $5,634 in fiscal 1990 and $9,512 in fiscal 1991.

Operating expenses increase 24.0 percent due to: 1) an increase in anticipated purchases of parts in the motor vehicle maintenance program of $54,289 each year. Industries training is reimbursed for the cost of parts by the party receiving the work; 2) an increase of $3,070 each year for a potential increasing number of students receiving training; 3) an increase of $2,272 in fiscal 1990 and $2,397 in fiscal 1991 to purchase gasoline, fertilizer, and other supplies in the event the size of the garden is enlarged; and 4) an increase of $5,280 in fiscal 1990 and $5,539 in fiscal 1991 for utilities for the potential addition of a greenhouse and for charges the prison may make for garden storage in the prison's warehouse.

Equipment includes a food processing scale, a mig welder, a lubrication dispensing station, a plasma arc cutting machine, and an oil dispensing station.

Funding: Industries training is funded from three sources: 1) general fund; 2) federal Carl Perkins funds from the Department of Education; and 3) income from sales and surcharges.

General fund supports the general operations of the program and increases 24.1 percent over the fiscal 1988 level due to a reduction in Carl Perkins funds, and an increase in overall size of the program which is greater than the increase in revenue from sales.

Carl Perkins funds are used for a 1.00 FTE career counselor at $27,937 in fiscal 1990 and $28,581 in fiscal 1991. The funds were also used to purchase some supplies in fiscal 1988.

Proprietary fund income is derived from three sources: 1) garden sales; 2) charges for the cost of all parts to the parties receiving the work; and 3) surcharges to the other programs within the Montana State Prison complex to offset work done in the program on the prison's vehicles. The charges offset a portion of inmate pay. The program also receives, through the Prison Industries complex, a fee for the telemarketing program with the Department of Commerce totaling $2,000 each year. Income increases 31.5 percent due to an increase of $58,242 in the anticipated charges for parts sold. This increases the annual revenues from auto parts from the $139,942 experienced in fiscal 1988 to $198,184 for each year of the 1991 biennium.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings rate, which reduced personal services by $2,297 each year; 2) a benefit adjustment added $189 each year; and 3) pay plan adds $5,634 in fiscal 1990 and $9,512 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: SWAN RIVER FOREST CAMP

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	25.83	25.83	25.83	0.00	25.83	25.83	0.00	0.00
Personal Services	$640,426	$645,957	$ 684,039	$38,082	$647,559	$ 709,821	$62,262	6.81
Operating Expenses	277,435	310,855	316,855	6,000	318,276	324,276	6,000	14.21
Equipment	6,076	13,474	13,474	0	0	0	0	121.76
TOTAL EXPENSES	$923,937	$970,286	$1,014,368	$44,082	$965,835	$1,034,097	$68,262	9.79
FUNDING								
General Fund	$803,949	$855,686	$ 898,269	$42,583	$849,221	$ 914,618	$65,397	11.73
State Special Rev	78,266	85,002	86,112	1,110	87,016	89,137	2,121	10.02
Federal Revenue	41,722	29,598	29,987	389	29,598	30,342	744	(28.13)
TOTAL FUNDING	$923,937	$970,286	$1,014,368	$44,082	$965,835	$1,034,097	$68,262	9.79

Program Description: The Swan River Forest Camp is a minimum security work camp for inmates transferred from the state prison who are between the ages of 18 and 26. The inmates work with the Forestry Division of the Department of State Lands and are involved in several forestry programs such as thinning, seeding, and planting trees, as well as campground and recreation area maintenance. The facility has an overall capacity of 54 inmates. The fiscal 1988 average daily population was 49 inmates, which is the budgeted 1991 biennium level.

Legislative Intent: Operating expenses include $27,246 in fiscal 1990 and $28,372 in fiscal 1991 for the payment of Department of Administration insurance premiums only. If actual expenditures are less than these amounts the balances shall revert to the general fund.

Budget: Personal services increase 6.8 percent because no vacancy savings was applied in the 1991 biennium, compared to an actual rate of 6.7 percent in fiscal 1988, and due to the addition of pay plan totaling $24,598 in fiscal 1990 and $48,674 in fiscal 1991.

Operating expenses increase 14.2 percent because of the following factors: 1) the addition of $23,721 in fiscal 1990 and $24,847 in fiscal 1991 for insurance resulting from the state's loss of a lawsuit involving an escapee from the camp; 2) the addition of $6,000 each year to increase the number of days for contracted psychiatric services from two to four

per month; 3) an increase in expected canteen sales of $6,228 in fiscal 1990 and $8,228 in fiscal 1991; 4) inflation of $9,433 in fiscal 1990 and $13,667 in fiscal 1991; and 5) the elimination of expenditures of $5,528 funded by one-time federal improvement funds.

Equipment totals $13,474 in fiscal 1990, and would allow purchase of an automobile and office and vocational automotive shop equipment.

Funding: General fund provides over 88 percent of the institution's funding. State special revenue is from two sources: 1) alcohol tax revenue, which funds 1.00 FTE drug and alcohol counselor, is included at $28,112 in fiscal 1990 and $29,137 in fiscal 1991; and 2) canteen funds, which are revenues from the sale of clothing and personal items purchased by inmates with their own funds, total $58,000 in fiscal 1990 and $60,000 in fiscal 1991.

Federal revenue is from three sources: 1) Department of Education Chapter I funds at $9,987 in fiscal 1990 and $10,342 in fiscal 1991; 2) Department of Education school foods at $5,000 each year; and 3) federal boarder reimbursements, which were $22,814 in fiscal 1988, at $15,000 each year of the 1991 biennium. The decrease is due to an expected reduction in the number of federal boarder days.

In fiscal 1988 the camp expended $7,032 in one-time carryover federal improvement funds, which are not included in the 1991 biennium.

Difference from Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings rate, which reduced personal services by $13,102 in fiscal 1990 and $13,129 in fiscal 1991; 2) the executive did not include benefits on overtime, holidays worked, or differential, which reduced personal services by $382 in fiscal 1990 and $459 in fiscal 1991; 3) pay plan adds $24,598 in fiscal 1990 and $48,674 in fiscal 1991; and 4) the executive included psychological services for two days per month, or $6,000 less than the level funded by the legislature.

LEGISLATIVE ACTION

AGENCY: MONTANA DEVELOPMENTAL CENTER — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	438.15	447.15	447.15	0.00	447.15	447.15	0.00	9.00
Personal Services	$10,118,104	$10,444,899	$11,178,016	$733,117	$10,458,247	$11,640,768	$1,182,521	10.48
Operating Expenses	1,652,431	1,806,677	1,797,970	(8,707)	1,853,117	1,844,208	(8,909)	8.81
Equipment	72,288	25,000	25,000	0	25,000	25,000	0	(65.42)
TOTAL EXPENSES	$11,842,823	$12,276,576	$13,000,986	$724,410	$12,336,364	$13,509,976	$1,173,612	9.78
FUNDING								
General Fund	$11,804,936	$12,204,240	$12,927,873	$723,633	$12,264,979	$13,423,291	$1,158,312	9.51
State Special Rev	13,376	49,000	49,000	0	49,000	49,000	0	266.33
Federal Revenue	24,511	23,336	24,113	777	22,385	37,685	15,300	(1.62)
TOTAL FUNDING	$11,842,823	$12,276,576	$13,000,986	$724,410	$12,336,364	$13,509,976	$1,173,612	9.78

Program Description: The Montana Developmental Center, formerly the Boulder River School and Hospital, provides services to developmentally disabled children and adults. Average daily population was 195 in fiscal 1988.

Budget: FTE increase by 9.00 due to three factors: 1) annualization of 15.0 direct care positions added in fiscal 1988 adds 7.50 FTE, as discussed under program expansion #1; 2) staff training requirements add an aggregate 2.50 FTE, as discussed under program expansion #1; 3) 1.00 FTE aggregate resident worker position was added as discussed under program expansion #2; and 4) 1.00 FTE pharmacist and 1.00 FTE pharmacy technician were deleted, as the center is under contract with a private firm for all pharmacy functions.

Personal services rise 10.5 percent for three reasons: 1) no vacancy savings was applied in the 1991 biennium, compared to an actual rate of 3.8 percent in fiscal 1988; 2) the FTE changes described above add a net total of $216,000 each year; and 3) pay plan adds $438,231 in fiscal 1990 and $882,015 in fiscal 1991.

Operating expenses increase 8.8 percent as a net result of five factors: 1) the management contract with the private pharmacy contractor totals $64,975 in fiscal 1990 and $68,224 in fiscal 1991, compared with a partial fiscal 1988 cost of $22,972 (the 2.00 FTE pharmacy positions would have cost $49,000 each year); 2) drug costs increase $18,608 each year because fiscal 1988 expenditures were reduced due to a credit received for purchase of the drug inventory by

the pharmacy contractor; 3) inflation adds approximately $96,000 in fiscal 1990 and $139,000 in fiscal 1991; 4) the Resident Work Program discussed under program expansion #2 adds $35,000 each year; and 5) all contract costs of $41,300 incurred in fiscal 1988 due to the center's inability to hire a physical therapist, were deleted as the position is fully funded in the 1991 biennium.

Equipment totals $25,000 each year to be expended at the discretion of the center.

Program Expansions:

1. Additional Direct Care Staff - Halfway through fiscal 1988, the department added 15.0 positions (an annualized 7.50 FTE) to increase the number of staffing posts at the Montana Developmental Center due to deficiencies cited by the medicaid authority. The legislature has maintained these positions at 15.00 FTE. In addition, 2.50 FTE aggregate positions were added to meet medicaid staff training requirements. Total costs of the 17.50 FTE are $344,621 in fiscal 1990 and $344,878 in fiscal 1991, compared with $130,109 expended in fiscal 1988.

2. Resident Work Program - 1.00 FTE aggregate position was added to establish a resident work program, which would allow residents to be compensated for work performed. The expansion also includes $35,000 each year in expected sales of resident produced products. Total costs are $79,908 in fiscal 1990 and $79,805 in fiscal 1991, including $44,908 in fiscal 1990 and $44,805 in fiscal 1991 of general fund and $35,000 each year of state special revenue.

Funding: General fund provides over 99 percent of the center's operational budget.

State special revenue consists of donations of $14,000 and $35,000 of income from the sale of resident produced products each year. Federal revenues are Chapter I and II funds from the Department of Education totaling $20,714 in fiscal 1990 and $35,209 in fiscal 1991, and school foods from the Department of Education totaling $3,399 in fiscal 1990 and $2,476 in fiscal 1991.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings factor, which reduced personal services by $207,278 in fiscal 1990 and $207,262 in fiscal 1991; 2) the executive did not include benefits on overtime, holidays worked, or differential, which reduced personal services by $87,608 in fiscal 1990 and $93,244 in fiscal 1991; 3) pay plan adds $438,231 in fiscal 1990 and $882,015 in fiscal 1991; and 4) the legislature funded drugs at a higher level than requested by the executive, but did not fund USDA commodities as requested.

LEGISLATIVE ACTION

AGENCY: CENTER FOR THE AGED — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	97.84	100.54	109.60	9.06	98.14	108.17	10.03	11.76
Personal Services	$2,126,341	$2,140,409	$2,452,331	$311,922	$2,117,286	$2,547,761	$430,475	15.33
Operating Expenses	496,022	577,141	587,590	10,449	643,323	636,764	(6,559)	18.46
Equipment	433	25,136	25,136	0	0	0	0	5,705.08
TOTAL EXPENSES	$2,622,796	$2,742,686	$3,065,057	$322,371	$2,760,609	$3,184,525	$423,916	16.86
FUNDING								
General Fund	$2,616,114	$2,725,651	$3,048,022	$322,371	$2,745,474	$3,169,390	$423,916	16.51
State Special Rev	6,682	17,035	17,035	0	15,135	15,135	0	154.94
TOTAL FUNDING	$2,622,796	$2,742,686	$3,065,057	$322,371	$2,760,609	$3,184,525	$423,916	16.86

Program Description: The Center for the Aged is a residential facility for long-term care and treatment of persons in need of continued psychiatric care who are 55 years or older and are transferred from Montana State Hospital or referred from Montana mental health centers. The center was budgeted for an average daily population of 171 in the 1989 biennium. Average daily population was 169 in fiscal 1988. The facility has a capacity of 191.

Legislative Intent: It is the intent of the legislature that the Center for the Aged complete purchase of a pellet food tray system with the equipment appropriation.

Budget: FTE increase by 11.76 in fiscal 1990, with an offsetting reduction of 1.43 FTE in fiscal 1991, due to the following factors: 1) changes in federal medicaid certification standards add 9.76 FTE in fiscal 1990 and 8.33 FTE in fiscal 1991, as discussed under program expansion #2; 2) 1.00 FTE social worker was added due to a deficiency cited by the medicaid certification authority, as discussed under program expansion #1; 3) a 0.70 FTE food service worker and a 1.00 FTE psychiatric aide were added due to the deterioration in the overall health of the center's residents, requiring a higher level of care, as discussed under program expansion #3; and 4) a 0.70 FTE pharmacist was deleted, as the center now contracts for all pharmacy functions with a private contractor.

Personal services increase 15.3 percent for four reasons: 1) no vacancy savings is applied in the 1991 biennium, compared with an actual rate in fiscal 1988 of 3.2 percent; 2) the net effect of the FTE changes described above adds

$222,000 in fiscal 1990 and $200,000 in fiscal 1991; 3) pay plan adds $96,864 in fiscal 1990 and $199,313 in fiscal 1991; and 4) benefits as a percent of salaries decrease from 31.74 percent in fiscal 1988 to 30.81 percent in fiscal 1990 due to lower workers' compensation expenses.

Operating expenses increase 18.5 percent due to six factors: 1) the HPI management fee to provide pharmacy services totals $24,309 in fiscal 1990 and $25,525 in fiscal 1991, compared with a partial year total of $7,499 in fiscal 1988; 2) $5,617 for milk was added each year to address a medicaid deficiency; 3) an accounting change was made, whereby expenditures from purchases made with profits from vending machines will now be budgeted; these expenditures were not previously budgeted; 4) drugs increase $16,398, as fiscal 1988 expenditures were understated on the state's accounting system due to an inventory buyback by the pharmacy contractor and because some expenditures were being directly billed to medicaid; 5) inflation adds approximately $33,000 in fiscal 1990 and $48,000 in fiscal 1991; and 6) expenses due to new OBRA requirements discussed under program expansion #2 add $4,478 in fiscal 1990 and $38,849 in fiscal 1991.

Equipment is to complete the purchase of a pellet food tray system which was begun in fiscal 1988.

Program Expansions:

1. Social Worker - 1.00 FTE social worker was added to address deficiencies cited by the medicaid certification authority. All facilities with a population of over 120 must have a social worker. General fund costs are $25,560 in fiscal 1990 and $25,663 in fiscal 1991.

2. Omnibus Budget Reconciliation Act (OBRA) - Changes in medicaid certification requirements contained in the Omnibus Budget Reconciliation Act of 1987 impact the Center for the Aged, which is licensed by medicaid as an intermediate care facility. As a result, the following positions were added: 1) 1.00 FTE registered nurse each year to provide quality assurance and training for psychiatric aides; and 2) 1.76 FTE aggregate aides in fiscal 1990 and 0.33 FTE aggregate aides in fiscal 1991 to provide coverage while staff receive the required 75 hours of training. All staff will receive the training in fiscal 1990, with only new staff receiving the training in fiscal 1991. In addition, operating expenses of $4,478 in fiscal 1990 and $2,689 in fiscal 1991 were added to purchase training materials, and $36,160 was added in fiscal 1991 to contract for a medical director, infection control, psycho-pharmaceutical medication review, and patient assessment. Total costs of the expansion are $57,229 in fiscal 1990 and $69,622 in fiscal 1991 of general fund.

The center also received an additional 7.00 FTE psychiatric aides each year of the biennium. The aides were primarily added because the overall condition of residents of the center has been deteriorating, requiring a higher level of care. The center has not been cited as deficient by the medicaid certification authority, although the authority has expressed in writing that the center has been below the minimum number of aides required. The passage of OBRA requires expanded nurse coverage, which no longer allows the nurses to perform aide level work, as they had been doing previously. Therefore, OBRA has contributed to the need for the additional aides but has not been the direct cause. General fund cost of the additional aides is $119,805 in fiscal 1990 and $119,784 in fiscal 1991.

3. Additional Psychiatric Aide - Food Service Worker - 1.00 FTE psychiatric aide was added due to the increased level of care required by residents, and a 0.70 FTE food service worker was added due to increased workload in food service. Total costs of the additional staff are $27,534 in fiscal 1990 and $27,643 in fiscal 1991 of general fund.

Funding: General fund provides over 99 percent of the center's funding.

State special revenue consists of canteen purchases of $7,335 each year, donations of $500 each year, and profits from vending machine sales of $9,200 in fiscal 1990 and $7,300 in fiscal 1991. The increase of 155.0 percent is due to an accounting change, as profits from vending machine sales are now being budgeted when they had not been budgeted before. The decrease in vending machine profits from fiscal 1990 to fiscal 1991 is due to utilization of the account's fund balance in fiscal 1990.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings factor, which reduced personal services by $42,845 in fiscal 1990 and $42,313 in fiscal 1991; 2) the executive included 2.40 FTE in fiscal 1990 to meet OBRA requirements, compared to the 9.76 and 8.33 FTE added by the legislature for a difference of $135,712 in fiscal 1990 and $153,246 in fiscal 1991; 3) the executive did not include 1.70 FTE nurse's aide and food service workers totaling $27,534 in fiscal 1990 and $27,643 in fiscal 1991 funded by the legislature; 4) the executive did not include benefits on overtime, holidays worked, or differential, which reduced personal services by $9,719 in fiscal 1990 and $10,649 in fiscal 1991; 5) pay plan adds $96,864 in fiscal 1990 and $199,313 in fiscal 1991; 6) the legislature funded equipment repair parts of $7,133 eliminated in the executive budget; and 7) the legislature funded contracted services to comply with new OBRA standards at $19,720 below the executive level in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: EASTMONT HUMAN SERVICES CENTER — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	92.02	93.02	98.62	5.60	93.02	98.62	5.60	6.60
Personal Services	$1,826,272	$1,951,544	$2,192,965	$241,421	$1,957,304	$2,292,241	$334,937	20.08
Operating Expenses	313,509	312,466	309,884	(2,582)	315,173	316,383	1,210	(1.16)
Equipment	12,356	20,766	20,766	0	760	760	0	68.06
TOTAL EXPENSES	$2,152,137	$2,284,776	$2,523,615	$238,839	$2,273,237	$2,609,384	$336,147	17.26
FUNDING								
General Fund	$2,150,715	$2,284,076	$2,522,915	$238,839	$2,272,537	$2,608,684	$336,147	17.31
State Special Rev	1,422	700	700	0	700	700	0	(50.77)
TOTAL FUNDING	$2,152,137	$2,284,776	$2,523,615	$238,839	$2,273,237	$2,609,384	$336,147	17.26

Program Description: The Eastmont Human Services Center is a 55-bed intermediate care facility for developmentally disabled adults and children. The center provides care, treatment, and education services to developmentally disabled residents of the state under the authority of Section 53-20-204, MCA. The center was budgeted for an average daily population of 53 for the 1989 biennium. The actual population averaged 54 in fiscal 1988 and is maintained at that level in the 1991 biennium.

Budget: FTE increase by 6.60 each year due to two additions: 1) 1.00 FTE qualified mental retardation professional (QMRP) as discussed under program expansion #1; and 2) 5.60 FTE direct care staff due to medicaid certification exceptions as discussed under program expansion #2.

Personal services increase 20.1 percent due to three factors: 1) the additional staff adds $134,178 in fiscal 1990 and $134,555 in fiscal 1991; 2) no vacancy savings was applied in the 1991 biennium, compared with an actual fiscal 1988 rate of 7.5 percent; if funding for the three contracted positions discussed under operating expenses is removed, vacancy savings totaled 3.6 percent; and 3) pay plan adds $87,171 in fiscal 1990 and $180,520 in fiscal 1991.

Operating expenses decrease 1.2 percent. The center had been cited in an earlier medicaid review as deficient due to the limited availability of the psychologist and other professional staff, and its limited communications programs. Since the fall of fiscal 1987, the center has been contracting for psychologist and speech pathologist services due to the

vacancies of those positions. The center had also been contracting for a dietician position, but has since filled that position in fiscal 1989. In the 1991 biennium, all positions are included in personal services and all contracts, totaling $16,229, are eliminated as well as the recruiting costs of $6,308. Inflation adds approximately $15,000 in fiscal 1990 and $21,000 in fiscal 1991. Eastmont Human Services Center does not contract with HPI for pharmacy services.

Equipment includes a vehicle, a medication cart system, physical therapy equipment, mattresses, and food service replacement items.

Program Expansions:

1. Qualified Mental Retardation Professional - 1.00 FTE qualified mental retardation professional (QMRP) was added because of an exception made by medicaid surveyors. General fund cost is $28,099 in fiscal 1990 and $28,108 in fiscal 1991.

2. Additional Direct Care Staff - In fiscal 1989, the medicaid certification authority found that medicaid standards of active treatment of residents were not being met at the Eastmont Human Services Center. In response, 5.60 FTE direct care habilitation aides were added to increase staff coverage. Costs of the expansion are $106,079 in fiscal 1990 and $106,447 in fiscal 1991 of general fund. The center has since been found to be in compliance with active treatment standards.

Funding: General fund provides over 99 percent of the center's funding. State special revenue is donations and declines due to a one-time estate gift in fiscal 1988.

Difference from Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings factor, which reduced personal services by $39,104 in fiscal 1990 and $39,169 in fiscal 1991; 2) the executive did not include benefits on overtime, holidays worked, or differential, which reduced personal services by $9,067 in fiscal 1990 and $8,801 in fiscal 1991; 3) pay plan adds $87,171 in fiscal 1990 and $180,520 in fiscal 1991; 4) the executive did not include the additional 5.60 FTE direct care workers funded by the legislature; and 5) the executive maintained a dietician contract and recruiting expenses totaling $8,108 eliminated by the legislature, and applied a lower inflation rate on utilities than was funded for a difference of $6,552 in fiscal 1990 and $10,270 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: MONTANA VETERANS' HOME — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	81.30	85.57	86.40	0.83	84.40	85.89	1.49	5.10
Personal Services	$1,618,944	$1,798,840	$1,934,311	$ 135,471	$1,792,738	$2,021,105	$ 228,367	19.48
Operating Expenses	503,842	588,209	593,893	5,684	608,952	620,776	11,824	17.87
Equipment	9,849	12,590	11,654	(936)	0	0	0	18.33
TOTAL EXPENSES	$2,132,635	$2,399,639	$2,539,858	$ 140,219	$2,401,690	$2,641,881	$ 240,191	19.09
FUNDING								
General Fund	$ 462,335	$ 689,505	$ 758,993	$ 69,488	$ 691,556	$ 784,913	$ 93,357	64.17
State Special Rev	16,023	20,764	1,016,829	996,065	20,764	1,061,056	1,040,292	6,246.06
Federal Revenue	1,654,277	1,689,370	764,036	(925,334)	1,689,370	795,912	(893,458)	(53.81)
TOTAL FUNDING	$2,132,635	$2,399,639	$2,539,858	$ 140,219	$2,401,690	$2,641,881	$ 240,191	19.09

Program Description: The Montana Veterans' Home provides domiciliary and nursing care to honorably discharged veterans and, if space is available, to veterans' spouses. An addition to the home was completed in fiscal 1984 increasing the bed capacity to 151, an increase of 36. Sixty-one of the 151 beds are domiciliary, while 90 are nursing care beds. The home averaged 132 members in residence in fiscal 1988 with 49 in domiciliary care and 83 in nursing. The home was budgeted for an average daily population (ADP) of 135 in the 1988 biennium. ADP was maintained at 132 in the 1991 biennium.

Budget: FTE increase by 5.10 in fiscal 1990 and then drop by 0.51 FTE in fiscal 1991 as a net result of the following: 1) a 1.60 FTE registered nurse, a 1.00 FTE social worker, and a 1.00 FTE nurse's aide were added each year in response to new Veterans' Administration domiciliary standards, as discussed in program expansion #2; 2) 2.00 FTE in fiscal 1990 and 1.49 FTE in fiscal 1991 were added in response to new federal medicaid standards as discussed in program expansion #1; and 3) a 0.50 FTE pharmacist position was deleted, as the home now contracts with a private firm for all pharmacy services.

Personal services increase 19.5 percent due primarily to four factors: 1) no vacancy savings is applied in the 1991 biennium, compared with an actual rate of 6.6 percent in fiscal 1988; 2) the net addition due to FTE changes described above totals $109,000 in fiscal 1990 and $101,000 in fiscal 1991; 3) benefits as a percent of salaries rise from

32.2 percent to 34.7 percent in fiscal 1990 and 35.4 percent in fiscal 1991 due to an increase in workers' compensation costs; and 4) pay plan adds $77,171 in fiscal 1990 and $159,388 in fiscal 1991.

Operating expenses increase 17.9 percent due to seven factors: 1) the HPI management fee for pharmacy services totals $30,426 in fiscal 1990 and $31,947 in fiscal 1991, compared to a partial year cost of $14,403 in fiscal 1988 (costs of maintaining a 0.50 FTE pharmacist would have been $15,205 in fiscal 1990 and $15,292 in fiscal 1991); 2) contracted physicians' expenses increase $12,334 because of changes in the Veterans' Administration standards for domiciliary care; 3) drug costs increase $7,533, as fiscal 1988 expenditures were reduced due to a credit received for purchase of the drug inventory by the pharmacy contractor; 4) training supplies and contracts for medication review required under new medicaid certification standards add $2,364 in fiscal 1990 and $12,154 in fiscal 1991, as discussed under program expansion #1; 5) inflation adds approximately $33,000 in fiscal 1990 and $49,000 in fiscal 1991; 6) laundry expenses increase $5,962; and 7) canteen expenses increase $4,471 each year.

Equipment is a biennial appropriation based upon an average of fiscal 1986, 1987, and 1988 actual equipment expenditures.

Program Expansions:

1. Omnibus Budget Reconciliation Act - As a result of changes in medicaid certification requirements contained in the Omnibus Budget Reconciliation Act of 1987, the following positions were added: 1) 1.00 FTE registered nurse to provide quality assurance and nurse's aide training; and 2) 1.00 FTE in fiscal 1990 and 0.49 FTE in fiscal 1991 aggregate nurse's aide positions to provide staff coverage while aides are in OBRA required training. All aides will require training in fiscal 1990, while fiscal 1991 assumes training of new aides only. In addition, $2,364 in fiscal 1990 and $1,042 in fiscal 1991 for training materials, and $11,112 in fiscal 1991 for review of psycho-pharmaceutical medications were added to operating expenses. Total cost of the expansion is $43,748 in fiscal 1990 and $45,201 in fiscal 1991.

2. Veterans' Administration Regulations - A 1.60 FTE nurse, 1.00 FTE social worker, and 1.00 FTE nurse's aide were added each year due to an increase in VA standards in domiciliary care. Total cost of the expansion is $77,424 in fiscal 1990 and $77,780 in fiscal 1991.

Funding: General fund increases 64.2 percent because, although total costs of the home have risen 19.1 percent, there has not been a commensurate increase in federal Veterans' Administration funds or members' contributions. As a result, general fund has assumed virtually all additional costs.

State special revenue consists of three funds: 1) canteen funds totaling $20,764 each year; 2) interest and income from trust lands of $5,600 each year; and 3) third-party reimbursements, including insurance, medicare and medicaid, and members' contributions, totaling $990,465 in fiscal 1990 and $1,034,692 in fiscal 1991. Prior to the 1991 biennium, interest and income and third-party reimbursements were classified as federal revenue. With the passage of Senate Bill 80 by the 1989 legislature, these funds are reclassified as state special revenue, causing the large increase.

Federal and other revenue is federal Veterans' Administration (VA) funds totaling $764,036 in fiscal 1990 and $795,912 in fiscal 1991 (for each day of residence by a qualified veteran the home receives $20.35 in the nursing home

and $8.70 in the domiciliary from the Veterans' Administration). Total federal funds decrease 53.8 percent due to the reclassification of third-party reimbursements and interest and income from federal to state special revenue. Contributions from the VA increase 12.7 percent from fiscal 1988 to fiscal 1990, as current rates reflect an increase that took effect midway through fiscal 1988.

Other Legislation:

House Bill 202 imposes an additional $.02 per pack tax on cigarettes. The additional revenue is for the planning, design, and building costs of additional nursing home beds for veterans. Of the total $2.355 million expected to be collected, the bill appropriates $30,000 to the Department of Military Affairs to conduct a site selection study and $1,991,897 to the Department of Administration to plan, design, and construct the home. The bill also appropriates $3,699,237 of federal construction funds.

House Bill 547 provides for the site selection, design, and construction of a 100-bed nursing home for veterans in eastern Montana. All funds for this purpose were appropriated in House Bill 202. Once the home is completed and occupied, annual operating costs are expected to total approximately $1.9 million.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings factor, which reduced personal services by $36,105 in fiscal 1990 and $35,932 in fiscal 1991; 2) pay plan adds $77,171 in fiscal 1990 and $159,388 in fiscal 1991; 3) the executive included 1.17 FTE in fiscal 1990 only to meet federal medicaid requirements, rather than the 2.00 FTE in fiscal 1990 and 1.49 FTE in fiscal 1991 for a difference of $22,579 in fiscal 1990 and $34,089 in fiscal 1991; and 4) the legislature funded drugs at $5,684 in fiscal 1990 and $10,782 in fiscal 1991 over the level in the original executive budget.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE HOSPITAL — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	705.46	719.35	717.05	(2.30)	718.00	724.01	6.01	11.59
Personal Services	$17,519,362	$17,909,057	$19,077,871	$1,168,814	$18,024,961	$20,065,583	$2,040,622	8.90
Operating Expenses	3,394,988	3,542,501	3,464,157	(78,344)	3,651,119	3,572,401	(78,718)	2.04
Equipment	114,475	30,000	57,016	27,016	30,000	57,016	27,016	(50.19)
TOTAL EXPENSES	$21,028,825	$21,481,558	$22,599,044	$1,117,486	$21,706,080	$23,695,000	$1,988,920	7.47
FUNDING								
General Fund	$19,284,241	$19,730,947	$20,802,242	$1,071,295	$19,954,862	$21,849,592	$1,894,730	7.87
State Special Rev	1,738,667	1,748,126	1,794,628	46,502	1,748,653	1,843,154	94,501	3.22
Federal Revenue	5,917	2,485	2,174	(311)	2,565	2,254	(311)	(63.26)
TOTAL FUNDING	$21,028,825	$21,481,558	$22,599,044	$1,117,486	$21,706,080	$23,695,000	$1,988,920	7.47

Program Description: Montana State Hospital provides evaluation and psychiatric treatment on the Warm Springs campus for adults who are mentally ill. Inpatient alcohol and drug treatment programs are offered at the Galen campus, as well as acute and intermediate care medical services for the mentally ill. The Warm Springs campus had an average daily population of 288 in fiscal 1988, while the Galen campus served an average daily population of 178.

Budget: FTE increase by 11.59 in fiscal 1990 and an additional 6.96 in fiscal 1991 for the following reasons: 1) in fiscal 1988, 29.9 positions (annualized 14.95 FTE) were added to the Forensics Unit to staff the new building for one-half of the year. The 1991 biennium includes the positions for a full year; 2) changes in federal medicaid certification requirements under the Omnibus Budget Reconciliation Act (OBRA) of 1987 add 3.05 FTE in fiscal 1990 and 10.01 FTE in fiscal 1991, as discussed under program expansion #1; 3) 1.00 FTE accountant was deleted, as the position had been vacant for an extended period of time; 4) 2.00 FTE pharmacists and 3.00 FTE pharmacy technicians were deleted, as all pharmacy functions are now on a contract basis with a private firm; and 5) 0.41 FTE added via budget amendment in fiscal 1988 was deleted.

Personal services increase 8.9 percent due to the cumulative effect of several factors: 1) no vacancy savings was applied, compared with an actual rate in fiscal 1988 of 6.7 percent which does not include vacant psychiatrist, pharmacist, and Forensics Unit staff; 2) full staffing of the Forensics Unit adds $441,536; 3) full funding of two

psychiatrist positions vacant all of fiscal 1988 adds $190,744; 4) upgrades awarded to custodians adds $30,000; 5) the additional OBRA staff adds $61,046 in fiscal 1990 and $195,229 in fiscal 1991; 6) pay plan adds $672,250 in fiscal 1990 and $1,395,913 in fiscal 1991; 7) elimination of the pharmacy positions reduces personal services $75,000 (these positions were filled for one-half year in fiscal 1988); 8) benefits as a percent of total salaries decrease from 35.5 percent in fiscal 1988 to 31.8 percent in fiscal 1990, primarily due to a decrease in the workers' compensation modification factor; and 9) elimination of the accountant position saves $26,000 each year.

Operating expenses increase 2.0 percent, which is a net of the following factors: 1) the HPI contract to provide all pharmacy services for the Montana State Hospital and the Women's Correctional Center on the Warm Springs campus totals $262,466 in fiscal 1990 and $275,590 in fiscal 1991, compared with an expenditure for one-half of fiscal 1988 of $121,935 (full funding of the 5.00 FTE pharmacy positions would have cost $124,279 in fiscal 1990 and $124,883 in fiscal 1991); 2) drugs increase $47,297 because of an inventory buy back by HPI which reduced total expenditures in fiscal 1988; 3) inflation adds approximately $195,000 in fiscal 1990 and $280,000 in fiscal 1991; 4) canteen expenditures rise $9,438 each year; 5) expenses due to new OBRA regulations discussed under program expansion #1 add $2,364 in fiscal 1990 and $6,942 in fiscal 1991; 6) contracted psychiatric and dietician services totaling $122,046 were deleted due to full funding of the positions in personal services; 7) medical costs were reduced by $89,163 due to higher than normal expenditures in fiscal 1988 for a terminal patient; 8) repair and maintenance were reduced $71,051 due to higher than normal expenditures in fiscal 1988; and 9) insurance decreases $43,043 in fiscal 1990 and $38,051 in fiscal 1991.

Equipment is the average of appropriated fiscal 1986, 1987, and 1988 expenditures, which would allow the purchase of ward furniture, keyboard embossers, a laundry truck, and a station wagon. The hospital used vacancy savings to purchase equipment in fiscal 1988.

Program Expansions:

1. Omnibus Budget Reconciliation Act - The federal Omnibus Budget Reconciliation Act of 1987 made several changes in medicaid certification requirements which impact the Montana State Hospital, portions of which are licensed as an intermediate care facility (ICF) by the federal medicaid authority. As a result, the following staff were added: 1) 1.00 RN in fiscal 1990 and an additional 1.00 RN in fiscal 1991 to provide quality assurance and psychiatric aide training; 2) 2.05 FTE psychiatric aides in fiscal 1990 and 1.01 FTE aides in fiscal 1991 to provide coverage while aides were receiving training; all staff would receive the training in fiscal 1990, while fiscal 1991 includes training for only new staff; and 3) 7.00 FTE psychiatric aides in fiscal 1991. The additional aides are not specifically required by the OBRA regulations. However, the department indicated that the number of aides was not sufficient to provide the level of care required, and that this need was increased by the OBRA regulations requiring a higher level of care. In addition, operating expenses of $2,364 in fiscal 1990 and $1,042 in fiscal 1991 were added to purchase training supplies, and $5,900 of contracted services was added in fiscal 1991 to contract for psycho-pharmaceutical medication review. Total cost of the expansion is $63,410 in fiscal 1990 and $202,171 in fiscal 1991.

Funding: General fund provides over 92 percent of the hospital's funding.

State special revenue consists of four funds: 1) alcohol tax revenues totaling $1,641,792 in fiscal 1990 and $1,689,791 in fiscal 1991, which support the Alcohol Program at Galen, as well as some administrative costs; 2) canteen funds totaling $145,304 in fiscal 1990 and $145,817 in fiscal 1991, which are used to purchase items in the canteen which

are sold to residents; 3) donations totaling $7,221 in fiscal 1990 and $7,235 in fiscal 1991; and 4) interest and income of $311 each year. Senate Bill 80 passed by the 1989 legislature reclassified the interest and income funds from federal to state special revenue.

Federal and other revenue consists of Chapter I funds from the Department of Education totaling $2,174 in fiscal 1990 and $2,254 in fiscal 1991.

Difference From Executive: The difference between the legislative appropriation and the Governor's budget is due to the following factors: 1) the executive applied a 2 percent vacancy savings factor, which reduced personal services by $355,796 in fiscal 1990 and $357,673 in fiscal 1991; 2) the executive did not include benefits on overtime, holidays worked, or differential, which reduced personal services by $127,949 in fiscal 1990 and $131,107 in fiscal 1991; 3) pay plan adds $672,250 in fiscal 1990 and $1,395,913 in fiscal 1991; and 4) the legislature did not fund an increase in average daily population totaling $89,691 in fiscal 1990 and $91,924 in fiscal 1991 included by the executive.

LEGISLATIVE ACTION

AGENCY: MONTANA ARTS COUNCIL — PROGRAM: PROMOTION OF THE ARTS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	7.97	7.97	7.97	0.00	7.97	7.97	0.00	0.00
Personal Services	$200,117	$200,613	$217,614	$ 17,001	$200,884	$ 225,725	$ 24,841	8.74
Operating Expenses	184,839	193,493	206,322	12,829	180,006	193,519	13,513	11.62
Equipment	306	2,400	3,405	1,005	0	0	0	1,012.75
Non-Operating	565,754	188,599	559,134	370,535	196,773	948,895	752,122	(1.17)
TOTAL EXPENSES	$951,016	$585,105	$986,475	$401,370	$577,663	$1,368,139	$790,476	3.73
FUNDING								
General Fund	$124,904	$127,726	$133,781	$ 6,055	$120,271	$ 128,524	$ 8,253	7.11
State Special Rev	408,864	31,507	504,020	472,513	31,521	894,768	863,247	23.27
Federal Revenue	417,248	425,872	348,674	(77,198)	425,871	344,847	(81,024)	(16.43)
TOTAL FUNDING	$951,016	$585,105	$986,475	$401,370	$577,663	$1,368,139	$790,476	3.73

Program Description: The Montana Arts Council was created by the legislature in 1967 in recognition of the increasing importance of art in the lives of Montanans, the need to provide the opportunity for young people to participate in the arts and contribute to the cultural heritage of Montana, and the growing significance of the arts as an element which makes living and vacationing in Montana desirable. The responsibilities of the council are to encourage the study and presentation of the arts, to foster public interest in our cultural heritage and resources, and to encourage and assist in freedom of artistic expression. The grant activity administered by the Montana Arts Council includes: 1) community arts projects; 2) those projects initiated from either the council or by the grant recipient; and 3) projects funded by the cultural and aesthetic project funds and approved by the legislature. The council also administers special projects which include the Artists-in-the-Schools Program (AIS), community arts, special project administration, and the Montana Folklife Project.

Budget: Personal services increase 8.7 percent because: 1) vacancy savings of approximately 2 percent or $4,256 realized in fiscal 1988 was not applied in the 1991 biennium; 2) $6,000 per year has been added for per diem for the Arts Council Board in compliance with Senate Bill 325; and 3) $7,241 in fiscal 1990 and $15,075 in fiscal 1991 have been added for the pay plan. Operating expenses increase $21,483 or 11.6 percent from fiscal 1988 to 1990, primarily because honorariums were restored up to the fiscal 1988 appropriated level. The equipment appropriation is $3,405 for office

equipment in fiscal 1990 only. Non-operating expenses (grants) decrease 1.2 percent because federal funds from National Endowment Grants available for cultural and aesthetic grants are decreasing.

Funding: The Arts Council receives its funding from the general fund, coal tax interest, and from National Endowment Grants. General fund has increased 7.1 percent primarily because federal funds have decreased 4.4 percent. The remaining 12.0 percent decrease in federal revenue and the 23.3 percent increase in state special revenue are primarily the result of an accounting transfer of community match funds from the federal and other category to state special revenue, as provided by Senate Bill 80. The legislature approved the use of an additional $23,586 in coal tax interest as a replacement for federal funds used for operations.

Other Legislation:

House Bill 507 appropriates $1,173,279 for 72 cultural and aesthetic grant projects. The cultural and aesthetic grant program is funded with one-third of the interest earnings from the coal tax park acquisition trust fund. The statute (Section 15-35-108, MCA) states that these interest earnings are to be appropriated "for the protection of works of art in the state capitol and other cultural and aesthetic projects."

Table 1
Cultural and Aesthetic Grant Program
1991 Biennium

Funds Available for Appropriation	$1,357,117
Funding for 72 Grant Projects	(1,173,279)
Operating Expenses, MT Arts Council - HB 100	(121,781)
Pay Plan	(3,728)
Ending Fund Balance	$ 58,329

Interest earnings available for grants are estimated to total $1,255,623 in the 1991 biennium. These revenues, along with a projected ending fund balance of $101,494 in fiscal 1989, bring total funds available to $1,357,117, as shown in Table 1. The grants are appropriated through House Bill 507, and operating expenses of $121,781 for the biennium are appropriated as part of the operations budget in House Bill 100. Interest earnings also fund pay plan of $3,728.

Table 2
Categories of Project Funding
Cultural and Aesthetic Grant Program

37	Special Projects	$ 413,055	35.21%
16	Operating Support	334,500	28.51
6	Capital Expenditures	89,284	7.61
13	Challenge Grants	336,440	28.67
72	Total Projects	$1,173,279	100.00%

As shown in Table 2, the grant projects are divided into four categories: 1) special projects; 2) operating support; 3) capital expenditures; and 4) challenge grants. Challenge grants were funded by the legislature for the first time in the 1987 session and are used to establish permanent endowments. In order to obtain a challenge grant, a group must raise $3 in matching funds for every $1 that it receives from the cultural and aesthetic grant program. This same requirement of a three-to-one match applies to capital expenditures. Table 2 shows the funding level for each grant category.

Table 3 lists the cultural and aesthetic grants authorized in House Bill 507. Of the total $1,173,279 appropriated for the biennium, the main table shows one-third or $391,093 allocated in fiscal 1990 and two-thirds or $782,186 allocated in fiscal 1991. The allocation provided by the agency is approximately equal to the expenditure percentage actually experienced in the 1989 biennium.

Table 3
Cultural and Aesthetic Projects
1991 Biennium

Organization	Appropriation	Organization	Appropriation	Organization	Appropriation
Alberta Bair Theatre	$ 30,000	Helena Symphony Society	$ 10,000	Montanans for Quality TV	$ 15,000
Aleph Movement Theatre	8,000	Hellgate Writers, Inc.	13,700	MSU Media & Theatre Arts Dept.	20,000
Bigfork Art & Cultural Center	3,000	Hockaday Center for the Arts	15,000	MT Community Foundation	50,000
Bigfork Center for Perf. Arts	9,000	Hockaday Center for the Arts	25,000	Museum of the Rockies	25,000
Bigfork Center for Perf. Arts	15,000	Huntley Project Museum	440	Northern Lights Institute	9,600
Billings Preservation Society	10,000	Huntley Project Museum	1,000	Oral History Office	70,000
Billings Symphony Society	15,000	Ikebana International	1,500	Paris Gibson Square	10,000
Broadway 215	2,000	KEMC Radio	20,000	Paris Gibson Square	30,000
Cascade County Artist Speak	7,500	KUFM Radio	20,000	Parmly Billings Library Foundation	25,000
Copper Village Museum	11,000	KUSM Public Television	20,000	Polson City Library	2,000
Custer County Art Center	12,000	Libby MIA Writers Group	1,500	Red Lodge Music Festival	10,000
Daly Mansion Preservation Trust	25,000	Missoula Children's Theatre	15,000	Shakespeare in the Parks	15,000
Dillon Jr. Fiddlers Association	9,000	Missoula Children's Theatre	20,000	Shakespeare in the Parks	30,000
Fort Peck Fine Arts Council	20,000	Montana Art Gallery Dir. Assoc.	25,000	Stillwater Historical Society	5,500
Fox Committee for the Perf. Arts	10,000	Montana Assn. of Symphony Orch.	4,500	St. Vincent Hospital	6,630
Garden City Ballet	7,500	Montana Ballet Company	8,500	U of M School of Fine Arts	20,000
Garnet Preservation Association	10,000	Montana Dance Arts Assn.	5,000	U of M School of Fine Arts	40,000
Grandstreet Theatre	8,125	Montana Fish, Wildlife & Parks	2,000	Vigilante Players, Inc.	13,000
Great Falls Symphony Assn.	9,500	Montana Folklife Project	50,000	Watershed Foundation	15,000
Growth Thru Art, Inc.	10,000	Montana Indian Art & Culture Assn.	10,000	Western Heritage Center	15,000
Helena Arts Council	10,000	Montana Inst. of the Arts Fndn.	15,000	Wibaux County Museum Board	3,784
Helena Arts Council	30,000	Montana Performing Arts Cnsrt.	25,000	Yellowstone Art Center	50,000
Helena Film Society	10,000	Montana Repertory Theatre	25,000	Yellowstone Chamber Players	8,000
Helena Film Society	50,000	Montana State Theatre Assn.	5,000	Young Audiences of Western MT	15,000
Total Grants and Projects					$1,173,279

House Bill 619 appropriated $44,573 from a National Endowment for the Arts grant for fiscal 1989. Language included with the appropriation reappropriates the unexpended portion of that grant in fiscal 1990. The unexpended amount has not been included in the main table for fiscal 1990.

Senate Bill 325 requires that members of the Montana Arts Council receive compensation for services and travel expenses. House Bill 100 includes $6,000 per year for per diem for the Montana Arts Council.

Difference From Executive: The major differences between the executive budget and the appropriation are: 1) an increase of approximately $3,760 each year because the executive budget contained a 1.84 percent vacancy savings not included in the appropriation; 2) an addition of $6,000 for per diem for the board; 3) an increase of 7,241 in fiscal 1990 and $15,075 in fiscal 1991 for the pay plan; 4) a decrease of $1,200 in legal costs; 5) operating expense increases of $14,029 in fiscal 1990 and $14,713 in fiscal 1991 and equipment expenses of $1,005 in fiscal 1990 to appropriate a coal tax grant previously appropriated through the Long Range Building Committee; 6) decreases of $20,558 for fiscal 1990 and $30,064 for fiscal 1991 in non-operating funds used for National Endowment grants; and 7) cultural and aesthetics grant funds of $391,093 in fiscal 1990 and $782,186 in fiscal 1991 added by House Bill 507.

AGENCY: LIBRARY COMMISSION

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	28.88	28.21	28.89	0.68	28.00	29.35	1.35	0.01
Personal Services	$ 674,779	$ 650,562	$ 727,726	$ 77,164	$ 646,597	$ 764,742	$118,145	7.85
Operating Expenses	489,452	425,969	551,175	125,206	417,923	465,784	47,861	12.61
Equipment	125,639	124,775	142,923	18,148	115,399	122,540	7,141	13.76
Non-Operating	442,580	816,959	1,390,109	573,150	796,090	803,955	7,865	214.09
TOTAL EXPENSES	$1,732,450	$2,018,265	$2,811,933	$793,668	$1,976,009	$2,157,021	$181,012	62.31
FUNDING								
General Fund	$ 541,213	$ 579,375	$1,188,780	$609,405	$ 560,251	$ 628,799	$ 68,548	119.65
State Special Rev	561,164	410,776	559,987	149,211	383,936	495,704	111,768	(0.21)
Federal Revenue	630,073	1,028,114	1,063,166	35,052	1,031,822	1,032,518	696	68.74
TOTAL FUNDING	$1,732,450	$2,018,265	$2,811,933	$793,668	$1,976,009	$2,157,021	$181,012	62.31

Program Description: The Montana State Library provides direct library services to state government agencies, to persons residing in state institutions, and to blind and physically handicapped residents of Montana. Indirect services are provided to all public libraries through grants to six regional library federations. The library also serves as a partial federal depository, collects state publications, and has statutory responsibility for the Natural Resource and Heritage Program, as provided in Section 90-15-101, MCA.

Budget: The budget increases 62.3 percent primarily because: 1) of increases in spending authority for Library Services and Construction Act (LSCA) funds; 2) the Natural Resources and Heritage Program is expanding to meet needs for resource information; and 3) the legislature added $566,000 of general fund for aid to libraries in House Bill 193. Personal services increase 7.9 percent, because of: 1) a 0.13 FTE increase in the Literacy Program appropriated for the library by House Bill 619; 2) a net increase of 0.67 FTE in the Natural Resources and Heritage Program; 3) additions for the pay plan; 4) decreases resulting from the loss of Kellogg funds; 5) elimination of vacancy savings; and 6) increases for position upgrades.

Operating expenses increase 12.6 percent, primarily because: 1) contracted services for networking with the national library system increased by over $13,000; and 2) the Natural Resources and Heritage Program is expanding to provide natural resource data to state agencies and others.

The equipment budget increases 13.8 percent because of the expansion in the Natural Resources and Heritage Program.

Non-operating expenses increase 214.1 percent, primarily because of: 1) carry-over of Library Services and Construction Act (LSCA) grant funds for libraries; 2) the addition of $61,801 per year for a lease-purchase arrangement for a computer in the Natural Resources and Heritage Program; and 3) the addition of a biennial appropriation of $566,000 in House Bill 193 for state aid to libraries.

Funding: General fund support provides 42 percent of the funding for the State Library in fiscal 1990 and 29 percent of the funding in fiscal 1991. This difference is the result of the biennial appropriation of $566,000 approved in House Bill 193 which is shown in fiscal 1990. State special revenues are from coal tax, resource indemnity trust interest, hunting and fishing license fees, Kellogg Foundation funds, miscellaneous reimbursement revenues, and transfers of Bonneville Power Administration funds through the Department of Natural Resources. Federal revenues include LSCA funds and federal superfund revenues granted to the Department of Health and transferred to the State Library.

Other Legislation:

House Bill 193 appropriates $566,000 to the state library commission for aid to libraries.

House Bill 619 appropriates federal revenue of $5,275 in fiscal 1990 for the Literacy Program. Increases of 0.13 FTE and $3,007 in personal services are included in this appropriation. The remaining $2,268 includes: 1) $375 for per diem for the Advisory Council; and 2) $1,893 for operating expenses for the Literacy Program.

LEGISLATIVE ACTION

AGENCY: LIBRARY COMMISSION

PROGRAM: REFERENCE AND INFORMATION SERVICES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	25.50	25.71	24.84	(0.87)	25.50	24.50	(1.00)	(0.66)
Personal Services	$ 595,163	$ 588,191	$ 621,279	$ 33,088	$ 584,164	$ 636,733	$52,569	4.39
Operating Expenses	317,454	345,501	347,394	1,893	334,444	334,444	0	9.43
Equipment	108,501	102,639	109,188	6,549	92,176	100,290	8,114	0.63
Non-Operating	442,580	755,158	1,328,308	573,150	734,289	742,154	7,865	200.13
TOTAL EXPENSES	$1,463,698	$1,791,489	$2,406,169	$614,680	$1,745,073	$1,813,621	$68,548	64.39
FUNDING								
General Fund	$ 541,213	$ 579,375	$1,188,780	$609,405	$ 560,251	$ 628,799	$68,548	119.65
State Special Rev	298,986	199,000	208,138	9,138	168,000	170,000	2,000	(30.39)
Federal Revenue	623,499	1,013,114	1,009,251	(3,863)	1,016,822	1,014,822	(2,000)	61.87
TOTAL FUNDING	$1,463,698	$1,791,489	$2,406,169	$614,680	$1,745,073	$1,813,621	$68,548	64.39

Program Description: The Montana State Library provides direct library services to state government agencies, to persons residing in state institutions, and to blind and physically handicapped residents of Montana. Indirect services are provided to all public libraries through grants to six regional library federations. The State Library serves as a partial federal depository and also collects state publications.

Legislative Intent: Language for the Library Services and Construction Act (LSCA) and coal severance tax funds follows:

The amounts included in the Reference and Information Program in the federal special revenue column represent Library Services and Construction Act funds that may be transferred between fiscal 1990 and 1991.

Included in the Reference and Information Program are state special revenues of $199,000 in fiscal 1990 and $168,000 in fiscal 1991 which are coal severance tax funds. In the event the coal severance tax revenues allocated to the State Library under Section 15-35-108(3)(g) exceed the amounts appropriated to the Montana State Library for fiscal 1990 and fiscal 1991, the additional funds are appropriated to the Montana State Library for pass-through to the library federations.

Budget: The budget increases 64.4 percent from fiscal 1988 to fiscal 1990. Nearly all of the increase is for grants which are the non-operating expenses. FTE decline by 0.66 and personal services increase by 4.4 percent. The increase reflects the: 1) elimination of vacancy savings of approximately 2.0 percent and $8,717 which was realized in fiscal 1988 but not applied in fiscal 1990; 2) elimination of 0.79 FTE and $19,630 in fiscal 1990 and 1.00 FTE and $23,750 in fiscal 1991 because of the loss of Kellogg Foundation funds; 3) increases of $12,079 each year for position upgrades; 4) increases of 0.13 FTE and $3,007 for personal services and $375 for per diem appropriated for fiscal 1990 in House Bill 619; and 5) additions of $21,568 in fiscal 1990 and $44,525 in fiscal 1991 for the pay plan.

Operating expenses increase by 9.4 percent because the legislature approved: 1) increases of $13,427 in fiscal 1990 and $15,682 in fiscal 1991 for contracted services primarily for networking with the national library system; 2) audit costs of $15,219 in fiscal 1990 only which results in an increase of $1,530 from 1988 actual expenditures and a decrease of $13,689 in fiscal 1991; 3) increases of $4,169 in fiscal 1990 and $5,697 in fiscal 1991 for inflation, insurance, payroll fees, and postage increases; 4) increases of $8,921 in fiscal 1991 and $9,300 in fiscal 1991 for rent; and 5) $1,893 for operating expenses for the Literacy Program for fiscal 1990 (House Bill 619).

The equipment budget is the agency's request and includes $99,290 for book purchases each fiscal year. The appropriations also include $9,898 in fiscal 1990 and $1,000 in fiscal 1991 for computer and office equipment. The legislature did not approve the agency modified request for $3,750 in fiscal 1990 for map cases.

Non-operating expenses increase 200.1 percent and include coal tax grants to libraries, federal grants to the six regional library federations in the state, and general fund aid to public libraries. The increase is the result of: 1) a House Bill 193 biennial appropriation for $566,000 general fund aid to libraries; 2) decreases of $100,000 in fiscal 1990 and $131,000 in fiscal 1991 in coal severance tax grants to libraries; and 3) increases of $419,727 in fiscal 1990 and $430,573 in fiscal 1991 in LSCA grants to libraries.

Funding: General fund increases 119.7 percent as a result of: 1) addition of $566,000 for the biennium for aid to libraries provided in House Bill 193; and 2) additions necessary to compensate for decreases in coal tax revenues.

State special revenue decreases 30.4 percent in fiscal 1990. This reflects the net of a 33.4 percent decrease in estimated coal tax revenue, and an increase of 3 percent because $7,138 in Kellogg funds and $2,000 miscellaneous funds have been included in state special revenue in compliance with Senate Bill 80. Kellogg funds are available in fiscal 1990 only. Therefore, a further reduction of state special revenue from fiscal 1990 to 1991 is the result of decreases of $7,138 in Kellogg funds and $31,000 in coal tax revenue.

A 61.9 percent increase in authority in federal funds is primarily the result of: 1) a $419,737 or 71.8 percent increase in expenditures of LSCA funds; and 2) the addition of $5,275 in fiscal 1990 for the Literacy Program as appropriated in House Bill 619. In addition, Kellogg funds of $38,555 and miscellaneous reimbursements of $705 were available in fiscal 1988. However, the $7,138 of remaining Kellogg funds and an estimated $2,000 in miscellaneous reimbursements are transferred to state special revenue in the 1991 biennium, in compliance with Senate Bill 80.

Other Legislation:

House Bill 193 appropriates $566,000 for the biennium to the state library commission for aid to libraries as follows: 1) $400,000 to reimburse libraries for interlibrary loan lending; and 2) $166,000 to provide a base grant for each public library to provide support for federation libraries. It is the legislature's intent that local libraries broaden their services to meet the needs of their communities, that Montana's citizens have greater access to libraries, and that libraries are encouraged to use the interlibrary loan program. Money appropriated by this bill may not be used to supplant general operating funds of recipient public libraries. The legislature approved $1,702,622 for library aid in this bill and the Governor line-item vetoed all but $566,000 for the biennium.

House Bill 619 appropriates fiscal 1990 federal revenue of $4,875 for the Literacy Program and $1,400 for the Literacy Advisory Council. The appropriation for the Literacy Program includes $3,007 for salaries and benefits for 0.13 FTE and $868 primarily for contract services and communications. The appropriation for the Literacy Advisory Council includes $375 for per diem, $805 for travel, and $220 for contract services.

Difference From Executive: The appropriation is higher than the executive budget by $614,680 in fiscal 1990 and $68,548 in fiscal 1991. Personal services increased $33,088 in fiscal 1990 and $52,569 in fiscal 1991 because of: 1) elimination of $11,647 in vacancy savings; 2) a decrease of $15,600 each fiscal year because the legislature did not approve an additional 1.00 FTE for the Blind and Physically Handicapped program; 3) increases of approximately $12,000 each year for position upgrades; 4) $21,568 in fiscal 1990 and $44,525 in fiscal 1991 for the pay plan increases; and 5) increases of $3,007 for personal services and $375 for per diem appropriated for fiscal 1990 in House Bill 619.

Operating expenses increased by $1,893 in fiscal 1990 because House Bill 619 approved expenditures for the literacy program.

Equipment increased by $6,500 in fiscal 1990 and $8,000 in fiscal 1991 because the legislature approved expenditures for additional computer equipment and books.

Non-operating expenses increased $573,150 in fiscal 1990 and nearly $8,000 in fiscal 1991 for additional grants to libraries. The fiscal 1990 increase includes a biennial appropriation of $566,000 to help libraries broaden their services, as provided in House Bill 193.

LEGISLATIVE ACTION

AGENCY: LIBRARY COMMISSION — PROGRAM: NATURAL RESOURCES/HERITAGE

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	3.38	2.50	4.05	1.55	2.50	4.85	2.35	0.67
Personal Services	$ 79,616	$ 62,371	$106,447	$ 44,076	$ 62,433	$128,009	$ 65,576	33.70
Operating Expenses	171,998	80,468	203,781	123,313	83,479	131,340	47,861	18.48
Equipment	17,138	22,136	33,735	11,599	23,223	22,250	(973)	96.84
Non-Operating	0	61,801	61,801	0	61,801	61,801	0	0.00
TOTAL EXPENSES	$268,752	$226,776	$405,764	$178,988	$230,936	$343,400	$112,464	50.98
FUNDING								
State Special Rev	$262,178	$211,776	$351,849	$140,073	$215,936	$325,704	$109,768	34.20
Federal Revenue	6,574	15,000	53,915	38,915	15,000	17,696	2,696	720.12
TOTAL FUNDING	$268,752	$226,776	$405,764	$178,988	$230,936	$343,400	$112,464	50.98

Program Description: The Natural Resource and Heritage Program, comprised of the Natural Resource Information System (NRIS) and the Natural Heritage Program, provides a standard system for the acquisition, storage, and retrieval of natural resource data, and assists other state agencies in managing that data. NRIS coordinates two other major information management projects: a Geographic Information System (GIS) to manage data collected for the Clark Fork and other superfund cleanup projects, and a Water Information System to provide access to water data bases. This program is also responsible for administering the Montana Natural Heritage Program established in Section 90-15-101, MCA.

The Natural Heritage Program compiles a data base containing information about special plants, animals, communities, and geological features of the state. Resource extraction companies, developers, state agencies, and others use this information to coordinate economic development plans so that environmentally sensitive areas can be developed without irreparable damage.

Budget: An increase of 33.7 percent in personal services is a result of increases of 0.67 FTE and $23,427 in fiscal 1990 because the Water Development and GIS programs are expanding, and increases of $3,404 in fiscal 1990 and $8,442 in fiscal 1991 for the pay plan. Additional increases of 0.80 FTE and $16,524 for the GIS expansion occur in fiscal 1991.

Operating expenses increase 18.5 percent to reflect increases in the Water Development and the GIS programs. The GIS program was fully operational for only the last two months of fiscal 1988. Decreases in operating expenses from

fiscal 1990 to 1991 are the result of: 1) a decrease of approximately $20,000 in fiscal 1991 because of the expected completion of GIS projects in cooperation with the Department of Natural Resources and Conservation and the Bonneville Power Administration; 2) a fiscal 1991 reduction of $8,701 in the Montana Rivers Study in cooperation with Fish, Wildlife and Parks; and 3) a reduction of $43,740 in the Natural Heritage Program because carry-over funds will be fully expended in fiscal 1990.

The equipment budget, primarily for computer equipment and software, increases 96.8 percent from fiscal 1988 to fiscal 1990. Fiscal 1990 equipment includes an expenditure of $20,000 for a GIS computer work station which will not be duplicated in fiscal 1991. Non-operating expenses are lease-purchase payments for a PRIME computer to manage natural resource data. This computer costs $244,081 and interest charges are $64,926 for a total cost of $309,007. At $61,801 per year, payments will be completed in five years.

Funding: State special revenue sources are: 1) $50,000 in fiscal 1990 from carryover Resource and Indemnity Trust Interest and $15,429 from carryover water development funds which were appropriated to the Department of Natural Resources and Conservation (DNRC) for the Renewable Resource Development Program and the Reclamation and Development Grants Program grants to the State Library; 2) $25,000 each year from license fees through the Department of Fish, Wildlife, and Parks; 3) $15,000 each year from the Department of State Lands, Office of Surface Mining; 4) $243,663 in fiscal 1990 and $278,866 in fiscal 1991 from federal superfund revenues transferred from the Department of Health into a state special revenue fund for the GIS program; and 5) $2,757 in fiscal 1990 and $6,838 in fiscal 1991 from state special funds for the pay plan.

Federal funds of $53,915 in fiscal 1990 and $17,696 in fiscal 1991 come from the Bonneville Power Administration through the Department of Fish, Wildlife, and Parks to the Montana State Library for miscellaneous studies, including studies on Montana Rivers and bald eagles.

Other Legislation:

House Bill 775 appropriates funds from the Renewable Resource Development Account to the Department of Natural Resources for grants to the State Library in three program areas: 1) $99,806 for the Montana Natural Resource Information System; 2) $45,510 for the Montana Water Information System; and 3) $99,450 for the Montana Natural Heritage Program. These grants are not included in the main table.

House Bill 776 appropriates $197,607 from the Reclamation and Development Account to the Department of Natural Resources for a second grant to the Montana Natural Heritage Program. This grant is not included in the main table.

House Bills 775 and 776 require that the library begin charging fees to private users of these programs to partially cover the costs.

Difference From Executive: The appropriation is higher than the executive budget because of approvals of: 1) $3,404 in fiscal 1990 and $8,442 in fiscal 1991 for the pay plan; and 2) increases of 1.55 FTE and $175,584 in fiscal 1990 and 2.35 FTE and $104,022 in fiscal 1991 for projected expansions in the Water Development and GIS programs. In the previous biennium the Natural Resource and Heritage Program was funded with a statutory appropriation. The anticipated revenues and expenditures for this program were under-estimated in the executive budget.

LEGISLATIVE ACTION

AGENCY: HISTORICAL SOCIETY

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	48.88	49.28	49.28	0.00	48.78	48.78	0.00	0.40
Personal Services	$1,158,385	$1,219,481	$1,284,717	$ 65,236	$1,210,644	$1,321,656	$111,012	10.91
Operating Expenses	776,112	816,212	815,782	(430)	761,969	761,754	(215)	5.11
Equipment	17,772	85,503	85,503	0	31,939	31,939	0	381.11
Non-Operating	124,408	391,320	391,320	0	391,320	391,320	0	214.55
TOTAL EXPENSES	$2,076,677	$2,512,516	$2,577,322	$ 64,806	$2,395,872	$2,506,669	$110,797	24.11
FUNDING								
General Fund	$1,098,362	$1,180,025	$1,231,197	$ 51,172	$1,149,642	$1,233,401	$ 83,759	12.09
State Special Rev	44,643	47,395	315,490	268,095	47,403	230,547	183,144	606.70
Federal Revenue	504,636	843,858	586,230	(257,628)	759,661	596,972	(162,689)	16.17
Proprietary Fund	429,036	441,238	444,405	3,167	439,166	445,749	6,583	3.58
TOTAL FUNDING	$2,076,677	$2,512,516	$2,577,322	$ 64,806	$2,395,872	$2,506,699	$ 110,797	24.11

Program Description: The Montana Historical Society was established in 1865. Its purpose is to acquire, preserve, and protect historical records, art archival and museum objects, historical places, and sites and monuments for the use and enjoyment of the citizens of Montana.

Budget: The agency's FTE increase by 0.40 FTE from fiscal 1988 to fiscal 1990 and decrease by 0.50 FTE from fiscal 1990 to fiscal 1991. This change is the net of: 1) elimination of 1.50 FTE in the Library Program and 2.50 FTE in the Museum Program; 2) an increase of 0.90 FTE for a tour guide and custodial worker at the Original Governor's Mansion; 3) an increase of 1.50 FTE for the Capitol Tours Program; 4) an increase of 1.00 FTE in fiscal 1990 and 0.50 FTE in fiscal 1991 for backlog cataloging of photographs in Photo Archives; and 5) an increase of 1.00 FTE for the Historic Sites Preservation Information System. Personal services increase 10.9 percent because of the net increase in FTE, the elimination of vacancy savings, the approval of a position upgrade for an assistant director, and the addition of the pay plan.

Operating expenses increase 5.1 percent because of: 1) increases for audit costs and inflation; 2) the addition of workshops supported by the accommodations tax; and 3) program expansions in the Administration, Library, Museum, and Historic Sites Preservation programs.

Equipment increases 381 percent primarily because of program expansions in the Library and Historic Sites Preservation programs.

Funding: The Montana Historical Society is funded with approximately 48 percent general fund. Other funds consist of donations, federal funds, and proprietary funds from sales in the gift store and sales of the agency's quarterly magazine. Donations and special projects funds which had been federal and other revenue were transferred to state special revenue in compliance with Senate Bill 80.

LEGISLATIVE ACTION

AGENCY: HISTORICAL SOCIETY — PROGRAM: ADMINISTRATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	12.88	15.38	15.38	0.00	15.38	15.38	0.00	2.50
Personal Services	$309,732	$385,373	$406,096	$ 20,723	$386,164	$422,109	$ 35,945	31.11
Operating Expenses	230,936	296,481	296,481	0	275,015	275,015	0	28.38
Equipment	0	1,076	1,076	0	0	0	0	0.00
TOTAL EXPENSES	$540,668	$682,930	$703,653	$ 20,723	$661,179	$697,124	$ 35,945	30.15
FUNDING								
General Fund	$425,392	$499,649	$516,282	$ 16,633	$487,396	$514,843	$ 27,447	21.37
State Special Rev	0	47,395	154,691	107,296	47,403	148,519	101,116	0.00
Federal Revenue	115,276	135,886	32,680	(103,206)	126,380	33,762	(92,618)	(71.65)
TOTAL FUNDING	$540,668	$682,930	$703,653	$ 20,723	$661,179	$697,124	$ 35,945	30.15

Program Description: The Administration Program is responsible for purchasing, accounting and budgeting, personnel, and overall management of the Historical Society. This program is also responsible for providing exhibits and materials to schools, museums, libraries, and other public institutions, as well as administering the Capitol Tours program.

Budget: The budget increases 30.2 percent from fiscal 1988 to fiscal 1990. Personal services increase 31.1 percent because of: 1) an increase of 1.50 FTE and $23,923 resulting from the inclusion of the Capitol Tours program in the Administration Program budget; 2) an increase of 1.00 FTE and approximately $41,408 for one position transferred from the Library Program; 3) vacancy savings of approximately $16,935 realized in fiscal 1988 but not applied in fiscal 1990; and 4) the addition of $14,098 in fiscal 1990 and $29,305 in fiscal 1991 for the pay plan.

Operating expenses increase $65,545 or 28.4 percent because of: 1) the addition of $23,472 for technical workshops funded by the Accommodations Tax; 2) approval of $14,140 for audit costs in fiscal 1990 which results in a $13,653 increase because the 1989 biennium audit was not completed in fiscal 1988; 3) inflationary increases of approximately $7,155 for insurance, building rent, grounds maintenance, and data processing; and 4) one program expansion for $21,265 discussed below.

The agency request for $1,076 for communications equipment was approved for fiscal 1990.

Program Expansions: Use of Bair Funds - One modified request for $21,265 in fiscal 1990 and $12,750 in fiscal 1991 was approved for the use of Bair Trust funds as follows: 1) $10,000 each year to support the annual History Conference; 2) $8,515 in fiscal 1990 for the Montana History Gallery; and 3) $2,750 each year for the Northwest Rendezvous.

Funding: Funding is approximately 74 percent from the general fund. State special revenue is from the Accommodations Tax of $48,241 in fiscal 1990 and $49,161 in fiscal 1991, and private donations, which total $106,450 in fiscal 1990 and $99,358 in fiscal 1991. The donations were transferred from federal and other revenue to state special revenue in compliance with Senate Bill 80. Federal historic sites preservation funds total $32,680 in fiscal 1990 and $33,762 in fiscal 1991.

Difference From Executive: The appropriation exceeds the executive budget by $20,723 in fiscal 1990 and $35,945 in fiscal 1991 because of increases in personal services. Approximately $6,600 each year is the result of the elimination of vacancy savings. The pay plan increased personal services by $14,098 in fiscal 1990 and $29,305 in fiscal 1991.

AGENCY: HISTORICAL SOCIETY

LEGISLATIVE ACTION

PROGRAM: LIBRARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	15.00	13.50	13.50	0.00	13.00	13.00	0.00	(1.50)
Personal Services	$365,354	$338,382	$356,254	$ 17,872	$327,246	$356,681	$ 29,435	(2.49)
Operating Expenses	64,206	71,473	71,043	(430)	60,548	60,333	(215)	10.65
Equipment	17,475	76,180	76,180	0	19,434	19,434	0	335.94
TOTAL EXPENSES	$447,035	$486,035	$503,477	$ 17,442	$407,228	$436,448	$ 29,220	12.63
FUNDING								
General Fund	$361,653	$368,015	$384,308	$ 16,293	$350,362	$378,050	$ 27,688	6.26
State Special Rev	44,643	0	119,169	119,169	0	58,398	58,398	166.94
Federal & Other Rev	40,739	118,020	0	(118,020)	56,866	0	(56,866)	(100.00)
TOTAL FUNDING	$447,035	$486,035	$503,477	$ 17,442	$407,228	$436,448	$ 29,220	12.63

Program Description: The Montana Historical Society Library collects, preserves, organizes, and makes accessible to the public, published material concerning the history of Montana and the surrounding region.

Budget: The budget increases 12.6 percent from fiscal 1988 to fiscal 1990. Personal services decrease 2.5 percent from fiscal 1988 to fiscal 1990 due to: 1) an agency restructuring which transferred 1.00 FTE to the Administration Program; 2) an agency request to eliminate 1.50 FTE; 3) a program expansion discussed below which increased FTE by 1.00 FTE in fiscal 1990 and 0.50 FTE in fiscal 1991; 4) elimination of vacancy savings; and 5) the addition of $11,669 in fiscal 1990 and $23,437 in fiscal 1991 for the pay plan.

Operating expenses increase 10.7 percent, the net of: 1) approximately $8,300 in reductions for deletion of a budget amendment and a Cultural and Aesthetic grant; and 2) increases of $15,148 for a program expansion discussed below.

Equipment increases 336 percent because $62,000 in fiscal 1990 and $6,434 in fiscal 1991 were approved through program expansions. The remaining $14,180 in fiscal 1990 and $13,000 in fiscal 1991 is for general office equipment and library books.

Program Expansions: The legislature approved modified requests as follows:

1. Photo Archives - $30,000 in fiscal 1990 and $10,000 in fiscal 1991 to be expended as follows: 1.00 FTE, personal services of $23,452, and operating expenses of $6,548 in fiscal 1990, and $10,000 for a 0.50 FTE, personal services, and operating expenses in fiscal 1991 for backlog cataloging in Photo Archives. Funds are provided by donations from Burlington Northern.

2. Microfilm Equipment - $18,000 has been approved from general fund for replacement microfilm equipment in fiscal 1990 only.

3. Archives Photocopier - $2,600 has been approved from general fund for each fiscal year for a maintenance contract for a photocopier in the archives section.

4. Automation of Archives and Library - $50,000 in fiscal 1990 and $10,000 in fiscal 1991 to be expended as follows: operating expenses of $6,000 in fiscal 1990 and $3,566 in fiscal 1991, and $44,000 for equipment in fiscal 1990 and $6,434 in fiscal 1991 for the automation of the archives and the library. Funding is provided by donations from Burlington Northern.

Funding: Funding for the Library Program is primarily general fund. Donated funds of $84,024 in fiscal 1990 and $24,055 in fiscal 1991, and photocopying fees of $35,145 in fiscal 1990 and $34,343 in fiscal 1991 have been transferred to state special revenue in compliance with Senate Bill 80. The transfer increases state special revenue by 167 percent in fiscal 1990 and eliminates federal and other revenue.

Difference From Executive: The appropriation exceeds the executive budget by $17,442 in fiscal 1990 and $29,220 in fiscal 1991 primarily because of increases in personal services. Approximately $6,000 each fiscal year is the result of the elimination of vacancy savings. The pay plan increased personal services by $11,669 in fiscal 1990 and $23,437 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: HISTORICAL SOCIETY — PROGRAM: MUSEUM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	8.50	6.90	6.90	0.00	6.90	6.90	0.00	(1.60)
Personal Services	$199,409	$162,060	$170,892	$ 8,832	$162,346	$177,503	$ 15,157	(14.30)
Operating Expenses	126,614	83,722	83,722	0	65,820	65,820	0	(33.88)
Equipment	297	1,287	1,287	0	275	275	0	333.33
TOTAL EXPENSES	$326,320	$247,069	$255,901	$ 8,832	$228,441	$243,598	$ 15,157	(21.58)
FUNDING								
General Fund	$207,138	$205,439	$214,271	$ 8,832	$204,811	$219,968	$ 15,157	3.44
State Special Rev	0	0	41,630	41,630	0	23,630	23,630	0.00
Federal Revenue	119,182	41,630	0	(41,630)	23,630	0	(23,630)	(100.00)
TOTAL FUNDING	$326,320	$247,069	$255,901	$ 8,832	$228,441	$243,598	$ 15,157	(21.58)

Program Description: The Museum Program is responsible for collecting, preserving, and interpreting art and artifacts representative of Montana's past. This program is supported with general fund and private donations.

Budget: The budget decreases 21.6 percent from fiscal 1988 to fiscal 1990. Personal services decrease 14.3 percent due to: 1) a 2.50 FTE reduction as part of the reduction of a federal grant for museum renovation; 2) vacancy savings realized in fiscal 1988 but not utilized in fiscal 1990; 3) an increase of 0.90 FTE approved as a program expansion for a tour guide and a custodial worker at the Original Governor's Mansion (the services of the 0.90 FTE had been provided through contract services in fiscal 1988); and 4) $5,862 in fiscal 1990 and $12,181 in fiscal 1991 added for the pay plan.

Operating expenses decrease 33.9 percent as a result of the net of decreases due to the reduction of the federal grant, the reduction of contracts for custodial and tour guide services at the Original Governor's Mansion, and an approved program expansion for $18,000 for repairs to the Original Governor's Mansion.

Approved equipment expenditures are for office equipment.

Program Expansions: Program expansions approved are as follows:

1. Tour Guide and Custodial Worker - 0.90 FTE and nearly $14,000 in personal services from the general fund were approved for each year to provide services previously provided by contract services.

2. Original Governor's Mansion Repairs - $18,000 of state special revenue approved for repairs to the basement of the Original Governor's Mansion.

Funding: Funding for the Museum Program is primarily from the general fund. Funds in state special revenue include donations of approximately $12,400 per year for museum study guides, donations of $7,026 per year for museum renovation, $4,200 per year for the Photograph Program, and $18,000 in fiscal 1990 only for repairs in the basement of the Original Governor's Mansion. These state special funds were transferred from federal and other revenue by Senate Bill 80.

Difference From Executive: The appropriation exceeds the executive budget by $8,832 in fiscal 1990 and $15,157 in fiscal 1991 because of increases in personal services. Approximately $3,000 each fiscal year is the result of the elimination of vacancy savings. The pay plan increased personal services by $5,862 in fiscal 1990 and $12,181 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: HISTORICAL SOCIETY

PROGRAM: PUBLICATIONS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	6.00	6.00	6.00	0.00	6.00	6.00	0.00	0.00
Personal Services	$118,293	$138,251	$145,977	$7,726	$138,678	$152,011	$13,333	23.40
Operating Expenses	310,743	300,887	300,887	0	299,936	299,936	0	(3.17)
Equipment	0	2,100	2,100	0	551	551	0	0.00
Non-Operating	41,320	41,320	41,320	0	41,320	41,320	0	0.00
TOTAL EXPENSES	$470,356	$482,558	$490,284	$7,726	$480,485	$493,818	$13,333	4.24
FUNDING								
General Fund	$ 41,320	$ 41,320	$ 45,879	$ 4,559	$ 41,319	$ 48,069	$ 6,750	11.03
Proprietary Fund	429,036	441,238	444,405	$3,167	439,166	445,749	6,583	3.58
TOTAL FUNDING	$470,356	$482,558	$490,284	$7,726	$480,485	$493,818	$13,333	4.24

Program Description: The Magazine Program is responsible for publishing Montana, the Magazine of Western History, society sponsored quarterlies, books, brochures, catalogs, prints, and other publications. Additionally, this program is responsible for the operation of the society's museum store and merchandising program.

Budget: The budget increases 4.2 percent as a result of the net of a 23.4 percent increase in personal services and a 3.2 percent decrease in operating expenses. The personal services increase because this program experienced a 15 percent vacancy savings in fiscal 1988, while no vacancy savings is applied in the 1991 biennium, and because $5,192 in fiscal 1990 and $10,791 in fiscal 1991 were added for the pay plan. Operating expenses decrease 3.2 percent as a result of base reductions in operations, primarily in purchases of merchandise and books. Equipment purchases approved are $2,100 for a computer in fiscal 1990 and $551 for a typewriter in fiscal 1991. Non-operating costs are transfers to the proprietary fund from the general fund. Non-operating costs do not include authority to transfer the general fund pay plan allocated to the Historical Society through House Bill 786.

Funding: The legislature approved a general fund subsidy, including pay plan allocation, of $45,879 in fiscal 1990 and $48,069 in fiscal 1990 for the support of 2.00 FTE. This is a general fund increase of $4,559 in fiscal 1990 and $6,749 in fiscal 1991. Proprietary revenue is generated by the gift store and sales of magazines and publications.

Difference From Executive: The appropriation exceeds the executive budget by $7,726 in fiscal 1990 and $13,333 in fiscal 1991 because of increases in personal services. Approximately $2,500 each fiscal year is the result of the elimination of vacancy savings. The pay plan increased personal services by $5,192 in fiscal 1990 and $10,791 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: HISTORICAL SOCIETY

PROGRAM: HISTORICAL SITES PRESERVATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	6.50	7.50	7.50	0.00	7.50	7.50	0.00	1.00
Personal Services	$165,597	$195,415	$205,498	$10,083	$196,210	$213,352	$17,142	24.10
Operating Expenses	43,613	63,649	63,649	0	60,650	60,650	0	45.94
Equipment	0	4,860	4,860	0	11,679	11,679	0	0.00
Non-Operating	83,088	350,000	350,000	0	350,000	350,000	0	321.24
TOTAL EXPENSES	$292,298	$613,924	$624,007	$10,083	$618,539	$635,681	$17,142	113.48
FUNDING								
General Fund	$ 62,859	$ 65,602	$ 70,457	$ 4,855	$ 65,754	$ 72,471	$ 6,717	12.09
Federal Revenue	229,439	548,322	553,550	5,228	552,785	563,210	10,425	141.26
TOTAL FUNDING	$292,298	$613,924	$624,007	$10,083	$618,539	$635,681	$17,142	113.48

Program Description: This program is responsible for implementing the National Historic Preservation Act and the State Antiquities Act. Activities include nominating sites to the National Register, reviewing tax certification projects, administering federal grants-in-aid, reviewing federal projects to determine and comment on any impacts to historic and cultural properties, and coordinating with local governments, state agencies, and the public on matters relating to historic preservation.

Budget: Personal services increases 24.1 percent because the program experienced a 4 percent vacancy savings in fiscal 1988 while no vacancy savings is applied in fiscal 1990, and because $6,501 in fiscal 1990 and $13,546 in fiscal 1991 were added for the pay plan. In addition, a program expansion discussed below for 1.00 FTE and $23,882 in personal services was approved.

Operating expenses increase 45.9 percent as a result of increases in audit costs, rent, and a program expansion includes $14,079 in fiscal 1990 and $14,690 in fiscal 1991.

Equipment expenditures include $3,975 in fiscal 1990 and $10,794 in fiscal 1991 for office and computer equipment. An additional $885 was approved each fiscal year as part of a program expansion discussed below.

Non-Operating expenditures are grants to local governments or local government sponsored groups for surveys of historical sites and properties. These expenditures increase because only 13.6 percent of the fiscal 1988 appropriation was utilized because of fewer than normal grant requests.

Program Expansion: Historical Sites Preservation Information System - A modified request for $38,846 in fiscal 1990 and $39,473 in fiscal 1991 of federal Historic Sites Preservation funds was approved for a post-graduate student to manage the Information System for the Historical Sites Preservation Program. These funds are budgeted as follows: 1) 1.00 FTE and personal services of $23,882 in fiscal 1990 and $23,898 in fiscal 1991; 2) operating expenses of $14,079 in fiscal 1990 and $14,690 in fiscal 1991; and 3) $885 for equipment in each fiscal year.

Funding: General fund increases 12.1 percent from fiscal 1988 to fiscal 1990 because: 1) personal services increases due to elimination of vacancy savings and the addition of the pay plan; and 2) inflationary increases occur in operating expenses. The federal funds are from the National Parks Service for historic sites preservation. These funds require a 50 percent match. For federal funds utilized for the state administrative costs, the Historical Society provides a soft match and for funds granted to localities, the individual recipient is responsible for providing the match.

Difference From Executive: The appropriation exceeds the executive budget by $10,083 in fiscal 1990 and $17,142 in fiscal 1991 because of increases in personal services. Approximately $3,600 each fiscal year is the result of the elimination of vacancy savings. The pay plan increased personal services by $6,501 in fiscal 1990 and $13,546 in fiscal 1991.



EDUCATION

LEGISLATIVE ACTION

AGENCY: BOARD OF PUBLIC EDUCATION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	5.00	4.00	4.00	0.00	4.00	4.00	0.00	(1.00)
Personal Services	$130,912	$117,387	$121,425	$ 4,038	$117,491	$125,523	$ 8,032	(7.25)
Operating Expenses	74,944	56,099	65,849	9,750	48,155	59,856	11,701	(12.14)
Equipment	3,318	0	3,000	3,000	0	1,000	1,000	(9.58)
TOTAL EXPENSES	$209,174	$173,486	$190,274	$16,788	$165,646	$186,379	$20,733	(9.04)
FUNDING								
General Fund	$163,181	$125,282	$120,975	$(4,307)	$117,423	$115,311	$(2,112)	(25.86)
State Special Rev	41,024	48,204	69,299	21,095	48,223	71,068	22,845	68.92
Federal Revenue	4,969	0	0	0	0	0	0	(100.00)
TOTAL FUNDING	$209,174	$173,486	$190,274	$16,788	$165,646	$186,379	$20,733	(9.04)

Program Description: The Board of Public Education exercises general supervision over the public school system and is the governing board for the School for the Deaf and Blind. The Advisory Council oversees certification standards and practices and makes recommendations to the Board of Public Education in the areas of certification standards, professional ethics, and policies relating to revocation of teacher certification.

Budget: Personal services decrease 7.3 percent due to the net of: 1) the elimination of 1.00 FTE and $24,827 for the Project Excellence Study; 2) an increase of $1,000 for per diem; 3) an increase of $10,721 in the Advisory Council because the council was a new program only partially implemented in fiscal 1988; and 4) $3,727 in fiscal 1990 and $7,725 in fiscal 1991 for the pay plan.

Operating costs decrease 12.1 percent due to the net of: 1) the elimination of $35,728 for the Project Excellence Study which includes $4,270 for a National Governor's Association grant and $1,000 in legal fees; 2) increases of $9,109 for program expansions; 3) the addition of $2,000 for additional staff travel; and 4) an increase of approximately $15,500 for full implementation of the Advisory Council operations. The equipment budget is for updating current computer equipment for the Advisory Council.

Funding: Funding for administration is entirely from the general fund, while funding for the Advisory Council is entirely state special revenue provided by teacher and specialist certification fees.

Other Legislation:

House Bill 583 eliminated the statutory appropriation for the Advisory Council. Therefore, the appropriation for the Advisory Council was included in House Bill 100.

Senate Bill 89 increased the certification fee allocation to the Advisory Council from $2.00 to $3.00 per certification. The increase was necessary because $2.00 per certification was not sufficient to fund the Advisory Council. With this increase in fees, the legislature was able to appropriate 69 percent more state special revenue than was actually spent by the Advisory Council in fiscal 1988.

LEGISLATIVE ACTION

AGENCY: BOARD OF PUBLIC EDUCATION

PROGRAM: ADMINISTRATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	3.00	2.00	2.00	0.00	2.00	2.00	0.00	(1.00)
Personal Services	$ 98,723	$ 74,477	$ 76,866	$ 2,389	$ 74,555	$ 79,169	$ 4,614	(22.14)
Operating Expenses	68,728	50,805	44,109	(6,696)	42,868	36,142	(6,726)	(35.82)
Equipment	699	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$168,150	$125,282	$120,975	$(4,307)	$117,423	$115,311	$(2,112)	(28.06)
FUNDING								
General Fund	$163,181	$125,282	$120,975	$(4,307)	$117,423	$115,311	$(2,112)	(25.86)
Federal and Other Rev	4,969	0	0	0	0	0	0	(100.00)
TOTAL FUNDING	$168,150	$125,282	$120,975	$(4,307)	$117,423	$115,311	$(2,112)	(28.06)

Program Description: The Board of Public Education is responsible for exercising general supervision over the public school system and is the statutorily designated governing board of the Montana School for the Deaf and Blind.

Legislative Intent: The legislature approved the expenditure of $5,609 in fiscal 1990 as a grant match for implementation of Project Excellence. It is the intent of the legislature that: 1) up to $1,609 may be used for grant applications; and 2) the remaining $4,000 may be expended only if a grant of equal or greater amount is received.

Budget: The budget provides a 28.1 percent decrease from fiscal 1988 to fiscal 1990. Personal services decrease by 22.1 percent because $24,827 and 1.00 FTE for the Project Excellence study position were eliminated, $1,000 was added for per diem in a program expansion, and $2,078 in fiscal 1990 and $4,307 in fiscal 1991 were added for the pay plan. Operating expenses decrease 35.8 percent due to the net of: 1) elimination from the base of $35,728 in expenditures for the accreditation standards study which includes $1,000 in legal fees; 2) addition of $9,109 in program expansions as discussed below; and 3) addition of $2,000 for staff travel.

The agency did not request equipment for fiscal 1990 or 1991.

Program Expansions: The legislature approved three program expansions from general fund as follows:

1. Additional Board Meeting - $1,000 per year in personal services for per diem and $1,500 each year for travel for one additional board meeting per year. The Board of Public Education said they could not adequately discharge their duties in the eight meetings per year available in the 1989 biennium. Therefore, the legislature approved funding for nine meetings per year for the 1991 biennium.

2. Test Analysis - $2,000 each year for test analysis of the National Teachers Examination of Montana examinees. The Board of Public Education will analyze the teacher examination results to determine if the curriculum in Montana universities is preparing teachers to compete with their peers from other states on the national examination.

3. Project Excellence - $5,609 in fiscal 1990 only for a grant match for implementation of Project Excellence accreditation standards. The agency may utilize $1,609 for grant applications, but it may expend the remaining $4,000 only if a grant of equal or greater amount is received. The general fund and public or private grant monies will be used to ensure an orderly implementation of the new accreditation standards adopted as a result of Project Excellence. Expenditures may include costs of: 1) informational publications; 2) on-site visits to districts having difficulties with implementation of the new standards; 3) follow-up analysis to answer specific questions about implementation; and 4) development and delivery of technical assistance to school districts.

Funding: The Board of Public Education is funded entirely with general fund. In the federal and other revenue category, a National Governor's Association grant received in fiscal 1988 was not continued in the 1991 biennium.

Difference From Executive: The appropriation is less than the executive budget primarily because the legislature: 1) appropriated $1,000 less for per diem; 2) eliminated $1,000 vacancy savings; 3) approved pay plan increases of $2,078 in fiscal 1990 and $4,307 in fiscal 1991; and 4) eliminated $7,000 for dues per year to the National Association of State Boards of Education.

LEGISLATIVE ACTION

AGENCY: BOARD OF PUBLIC EDUCATION PROGRAM: ADVISORY COUNCIL

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	2.00	2.00	2.00	0.00	2.00	2.00	0.00	0.00
Personal Services	$32,189	$42,910	$44,559	$ 1,649	$42,936	$46,354	$ 3,418	38.43
Operating Expenses	6,216	5,294	21,740	16,446	5,287	23,714	18,427	249.74
Equipment	2,619	0	3,000	3,000	0	1,000	1,000	14.55
TOTAL EXPENSES	$41,024	$48,204	$69,299	$21,095	$48,223	$71,068	$22,845	68.92
FUNDING								
State Special Rev	$41,024	$48,204	$69,299	$21,095	$48,223	$71,068	$22,845	68.92

Program Description: The Advisory Council was authorized by the 1987 legislature in Section 2-15-22, MCA, to oversee teacher certification and standards practices. As required in Section 20-4-133, MCA, this council makes recommendations to the Board of Public Education in the following areas: 1) teacher, administrator, and specialist certification standards; 2) feasibility of establishing standards of professional ethics; 3) the status and efficacy of approved teacher education programs; and 4) policies related to the denial, suspension, and revocation of teaching certification and the appeals process.

Budget: The budget provides a 68.9 percent increase from fiscal 1988 to fiscal 1990. Personal services increases by 38.4 percent because this new program was not operational during the first quarter of fiscal 1988 and because $1,649 in fiscal 1990 and $3,418 in fiscal 1991 were added for the pay plan. Operating expenses increase 249.7 percent because the program is fully implemented in the 1991 biennium. The equipment budget is for updating current computer equipment.

Funding: The Advisory Council is funded entirely from application fees for teacher and specialist certificates. Teacher certification fees were $4.00 per application in the 1989 biennium. Of that amount, $2.00 was paid into a state special revenue fund which was statutorily appropriated to the Advisory Council. The 1989 legislature passed Senate Bill 89 which increased the fees to $5.00 and allocated $3.00 to the state special revenue fund. House Bill 583 eliminated the statutory appropriation; therefore, the special revenue is appropriated in House Bill 100.

Difference From Executive: The appropriation is greater than the executive budget by $21,095 in fiscal 1990 and $22,845 in fiscal 1991 because: 1) $1,649 in fiscal 1990 and $3,418 in fiscal 1991 have been added for the pay plan; 2) the executive budget is based on current revenue while the legislature fully funded increases of $19,400 in operating expenses and equipment from increased revenues from Senate Bill 89.

LEGISLATIVE ACTION

AGENCY: SCHOOL FOR THE DEAF AND BLIND

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	84.63	86.82	84.54	(2.28)	86.82	84.54	(2.28)	(0.09)
Personal Services	$1,949,558	$2,108,776	$2,284,331	$175,555	$2,109,744	$2,372,289	$262,545	17.17
Operating Expenses	466,374	500,057	492,630	(7,427)	490,554	483,262	(7,292)	5.63
Equipment	23,516	44,349	12,000	(32,349)	9,386	12,000	2,614	(48.97)
Non-Operating	11,957	11,957	11,957	0	6,975	6,975	0	0.00
TOTAL EXPENSES	$2,451,405	$2,665,139	$2,800,918	$135,779	$2,616,659	$2,874,526	$257,867	14.26
FUNDING								
General Fund	$2,065,488	$2,300,731	$2,446,117	$145,386	$2,247,251	$2,519,725	$272,474	18.43
State Special Rev	0	0	147,307	147,307	0	147,307	$147,307	0.00
Federal Revenue	385,917	364,408	207,494	(156,914)	369,408	207,494	(161,914)	(46.23)
TOTAL FUNDING	$2,451,405	$2,665,139	$2,800,918	$135,779	$2,616,659	$2,874,526	$257,867	14.26

Program Description: The Montana School for the Deaf and Blind is a school for children whose hearing and/or vision is so significantly impaired that they are unable to receive an education in the public schools. Approximately 347 children, ranging in age from infancy to 18, are served by the school. Of these, approximately 70 percent are served by the school's Outreach and Itinerant Program. This program serves hearing impaired and visually impaired children in their local communities and through local schools. The remaining 30 percent are served from the Great Falls campus. Approximately 70 students reside on campus during the school year.

Budget: A decrease of 0.09 FTE results from the net of the elimination of a 0.82 FTE administrative clerk and the addition of a 0.73 FTE orientation and mobility instructor. Personal services increase 17.2 percent primarily because of: 1) the elimination of vacancy savings; 2) the addition of $3,744 for the superintendent's housing allowance; 3) the addition of $2,000 for salary increases for teachers who have achieved a higher educational level; 4) the addition of $2,000 for social security benefits which were not previously required for part-time employees; 5) the addition of $130,714 in fiscal 1990 and $134,275 in fiscal 1991 for annual leave and paid holidays for contract staff and teachers who were determined to be state employees in a recent Attorney General's opinion; and 6) the addition of $82,660 in fiscal 1990 and $165,771 in fiscal 1991 for the pay plan. Operating expenses increase 5.6 percent because of the net of: 1) an annual $7,500 increase for leasing a bus with handicapped access; 2) increased student travel costs of approximately

$8,000 per year; 3) increases of $17,000 for audit costs in fiscal 1990; and 4) a decrease of nearly $7,000 in contract services, primarily for an orientation and mobility instructor. Equipment decreases 49.0 percent because the equipment budget was overspent in fiscal 1988 and the 1989 legislature returned it to the fiscal 1988 appropriated level of $12,000 per year.

Funding: Funding for the school comes from Chapter I and Chapter II federal funds, interest and income from state lands, federal school food service funds, and the general fund. The athletic fund was de-earmarked and transferred to the general fund. Interest and income from state lands has been transferred from federal and other revenue to state special revenue in compliance with Senate Bill 80.

LEGISLATIVE ACTION

AGENCY: SCHOOL FOR THE DEAF AND BLIND — PROGRAM: ADMINISTRATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	5.00	5.00	5.00	0.00	5.00	5.00	0.00	0.00
Personal Services	$137,994	$147,864	$151,013	$3,149	$148,061	$156,527	$8,466	9.43
Operating Expenses	35,773	50,875	50,877	2	33,219	33,223	4	42.22
Equipment	9,795	149	0	(149)	0	0	0	(100.00)
Non-Operating	11,957	11,957	11,957	0	6,975	6,975	0	0.00
TOTAL EXPENSES	$195,519	$210,845	$213,847	$3,002	$188,255	$196,725	$8,470	9.37
FUNDING								
General Fund	$195,519	$210,845	$213,847	$3,002	$188,255	$196,725	$8,470	9.37

Program Description: The Administration Program for the School for the Deaf and Blind is responsible for the centralized administrative functions of the school including accounting, budgeting, personnel, and purchasing.

Budget: The budget increases 9.4 percent from fiscal 1988 to fiscal 1990. Personal services increase 9.4 percent because: 1) the agency achieved approximately $4,300 in vacancy savings in fiscal 1988 which was not applied in the 1991 biennium; 2) $4,994 in fiscal 1990 and $10,384 in fiscal 1991 were added for the pay plan; and 3) $3,744 for a housing allowance was approved for the superintendent in each fiscal year.

A 42.2 percent increase in operating costs was the result of: 1) approval of $17,710 for fiscal 1990 audit costs which was an increase of $17,088 over actual fiscal 1988 costs because the audit had not been completed in the base year; 2) inflationary increases of $2,302 in operating expenses; and 3) decreases because "one time" recruitment costs of $4,286 for the recruitment of the superintendent were eliminated. No equipment is budgeted in this program. Non-operating costs reflect the lease/purchase cost of a telephone system.

Funding: This program is entirely funded from the general fund.

Difference From Executive: The legislature approved $3,002 in fiscal 1990 and $8,470 in fiscal 1991 more than the executive budget for the Administration Program. This increase was primarily a result of the net of a $5,296 decrease in housing allowance for the Superintendent, an increase of approximately $3,000 resulting from the elimination of vacancy savings, and increases of $4,994 in fiscal 1990 and $10,384 in fiscal 1991 for the pay plan.

LEGISLATIVE ACTION

AGENCY: SCHOOL FOR THE DEAF AND BLIND

PROGRAM: GENERAL SERVICES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	4.00	4.00	4.00	0.00	4.00	4.00	0.00	0.00
Personal Services	$ 94,731	$ 87,888	$ 91,946	$4,058	$ 88,072	$ 95,835	$7,763	(2.94)
Operating Expenses	170,823	181,703	181,017	(686)	188,044	187,358	(686)	5.97
Equipment	1,324	900	0	(900)	0	0	0	(100.00)
TOTAL EXPENSES	$266,878	$270,491	$272,963	$2,472	$276,116	$283,193	$7,077	2.28
FUNDING								
General Fund	$266,878	$270,491	$272,963	$2,472	$276,116	$283,193	$7,077	2.28

Program Description: The General Services Program is responsible for the maintenance and operation of the school's facilities and grounds.

Budget: Personal services decrease 2.9 percent because of the net of: 1) a one-time net expenditure of approximately $1,100 in termination pay for a long-term employee who retired in fiscal 1988 was eliminated from the base; 2) the vacated position was filled at a Step 2 rather than a Step 13 for a salary and benefits decrease of approximately $5,100; and 3) $3,438 in fiscal 1990 and $7,142 in fiscal 1991 were added for the pay plan.

Operating expenses increase 6.0 percent because of the net of: 1) a reduction of approximately $7,800 in repairs which the school had transferred to this program from the personal services budget in the Student Services Program in fiscal 1988; and 2) inflationary increases of $18,000 for utilities, gasoline, and janitorial services. No equipment was approved for this program.

Funding: Funding is from the general fund.

Difference From Executive: Appropriations exceed the executive budget by $2,472 in fiscal 1990 and $7,077 in fiscal 1991 because of the net of: 1) elimination of $620 per year for vacancy savings; 2) addition of $3,438 in fiscal 1990 and $7,142 in fiscal 1991 for the pay plan; 3) a utilities reduction of $686; and 4) an equipment reduction of $900 in fiscal 1990 only.

LEGISLATIVE ACTION

AGENCY: SCHOOL FOR THE DEAF AND BLIND — PROGRAM: STUDENT SERVICES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	31.95	31.95	31.13	(0.82)	31.95	31.13	(0.82)	(0.82)
Personal Services	$540,974	$604,853	$650,029	$45,176	$605,692	$680,373	$74,681	20.16
Operating Expenses	119,460	133,180	140,680	7,500	135,160	142,660	7,500	17.76
Equipment	4,726	37,300	4,000	(33,300)	3,300	4,000	700	(15.36)
TOTAL EXPENSES	$665,160	$775,333	$794,709	$19,376	$744,152	$827,033	$82,881	19.48
FUNDING								
General Fund	$626,742	$737,333	$756,709	$19,376	$706,152	$789,033	$82,881	20.74
Federal Revenue	38,418	38,000	38,000	0	38,000	38,000	0	(1.09)
TOTAL FUNDING	$665,160	$775,333	$794,709	$19,376	$744,152	$827,033	$82,881	19.48

Program Description: The Student Services Program is responsible for the care and custody of approximately 70 children who reside on the Great Falls campus. The activities include meal preparation, infirmary care, and dorm supervision.

Legislative Intent: Language requires that $18,883 in fiscal 1990 and $19,432 in fiscal 1991 line itemed in House Bill 100 may only be used to pay annual leave and holiday pay for the contract staff in Student Services.

Budget: A 20.2 percent increase in personal services resulted primarily from: 1) the elimination of $76,264 in vacancy savings; 2) the deletion of $12,592 and a 0.82 FTE clerk position which had been vacant for an extended period; 3) the addition of $18,883 in fiscal 1990 and $19,432 in fiscal 1991 for annual leave and paid holidays for teachers who were determined by the Attorney General to be state employees; and 4) increases of $26,500 in fiscal 1990 and $55,405 in fiscal 1991 for the pay plan.

Operating expenses increase 17.8 percent because of: 1) a $9,550 increase each year for student travel expenses; 2) a $1,234 increase each year for building and grounds maintenance; 3) net increases of $2,936 in fiscal 1990 and $4,916 in fiscal 1991, primarily for food and medical expenses; and 4) the approval of a $7,500 program expansion discussed below.

The legislature appropriated $4,000 each year for office equipment. Equipment for the School for the Deaf and Blind was appropriated in the student services and education programs only.

Program Expansions: Bus Lease - $7,500 of general fund was approved for each fiscal year to lease a bus with handicapped access for student transportation within the Great Falls area.

Funding: Funding for this program is supplied by the general fund and $38,000 per year from federal school food funds.

Difference From Executive: The personal services appropriation is greater than the executive budget primarily due to: 1) elimination of 0.82 FTE vacant clerk position and $12,592 of personal services each year; 2) an increase of approximately $12,344 each year resulting from the elimination of vacancy savings; 3) an increase of $18,883 in fiscal 1990 and $19,432 in fiscal 1991 for annual leave and holiday pay for contract personnel; and 4) the addition of $26,500 in fiscal 1990 and $55,405 in fiscal 1991 for the pay plan. Operating expenses increase by $7,500 each year to allow the lease of a bus with handicapped access. Equipment decreases by $33,300 in fiscal 1990, primarily because the executive budget had requested the purchase of a bus.

LEGISLATIVE ACTION

AGENCY: SCHOOL FOR THE DEAF AND BLIND PROGRAM: EDUCATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	43.68	45.87	44.41	(1.46)	45.87	44.41	(1.46)	0.73
Personal Services	$1,175,859	$1,268,171	$1,391,343	$123,172	$1,267,919	$1,439,554	$171,635	18.33
Operating Expenses	140,318	134,299	120,056	(14,243)	134,131	120,021	(14,110)	(14.44)
Equipment	7,671	6,000	8,000	2,000	6,086	8,000	1,914	4.29
TOTAL EXPENSES	$1,323,848	$1,408,470	$1,519,399	$110,929	$1,408,136	$1,567,575	$159,439	14.77
FUNDING								
General Fund	$ 976,349	$1,082,062	$1,202,598	$120,536	$1,076,728	$1,250,774	$174,046	23.17
State Special Rev	0	0	147,307	147,307	0	147,307	147,307	0.00
Federal Revenue	347,499	326,408	169,494	(156,914)	331,408	169,494	(161,914)	(51.22)
TOTAL FUNDING	$1,323,848	$1,408,470	$1,519,399	$110,929	$1,408,136	$1,567,575	$159,439	14.77

Program Description: The Education Program is responsible for educating the school's 70 residents, as well as approximately 50 children from the Great Falls area. Elementary education and core curriculum for junior and senior high school are provided at the school. Teenage students receive some instruction, primarily in elective courses, in the Great Falls school system. The outreach and itinerant services are provided to approximately 250 visually and/or hearing impaired children in schools throughout Montana.

Legislative Intent: Language requires that $111,831 in fiscal 1990 and $114,843 in fiscal 1991 line itemed in House Bill 100 may only be used to pay annual leave and holiday pay for the contract staff in the Education Program.

Budget: The budget increases 14.8 percent from fiscal 1988 to fiscal 1990. Personal services has a net increase of 18.3 percent because of: 1) an increase of $28,780 resulting from the elimination of vacancy savings; 2) the addition of $2,000 for salary increases for teachers who achieved a higher education level and $2,000 for social security costs which were not previously required for part-time employees; 3) the approval of one new position discussed below in the program expansion section; 4) the addition of $111,831 in fiscal 1990 and $114,843 in fiscal 1991 for annual leave and paid holidays for teachers who were determined by the Attorney General to be state employees; and 5) the addition of $47,728 in fiscal 1990 and $92,840 in fiscal 1991 for the pay plan.

Operating expenses decrease 14.4 percent to reflect: 1) deletion of $14,000 in contract services and supplies funded by transfers from the Student Services Program personal services budget to the operating expense budget of the Education Program in fiscal 1988; 2) net increases for inflation and rent of approximately $1,400 per year; and 3) a reduction of $7,690 in contract services for an orientation and mobility instructor. This service will now be provided by a new staff position that was approved (see program expansion section).

Program Expansions: Orientation and Mobility Instructor - A modified request for 0.73 FTE for one new orientation and mobility instructor position was approved at a general fund cost of $23,146 per year. This cost is partially offset by a reduction of $7,690 in contract services because in fiscal 1988 these services were contracted on an after school and weekend basis.

Funding: Approximately 79 percent of the program's budget comes from the general fund, with the remainder of the funding coming from three sources as follows:

1. Chapter I funds of $168,426 each year
2. Interest and income funds of $147,307
3. Chapter II funds of $1,068

The Appropriations Committee de-earmarked the athletic program fund. Therefore, $1,914 each year of additional general fund will replace that amount from the athletic program fund, for a general fund total of $1,202,598 in fiscal 1990 and $1,250,774 in fiscal 1991. Interest and income from state lands has been transferred from federal and other revenue to state special revenue in compliance with Senate Bill 80.

Difference From Executive: The personal services appropriation is greater than the executive budget because of the net of: 1) a reduction of 1.46 FTE instructors and $44,168 each year requested in the executive budget but not approved by the legislature; 2) an increase of approximately $24,280 each year resulting from the elimination of vacancy savings; 3) an increase of $111,831 in fiscal 1990 and $114,843 in fiscal 1991 for annual leave and holiday pay for contract personnel; 4) decreases of approximately $16,500 each year for the aggregate positions which include teachers aides, interpreter tutors, and life guards; and 5) the addition of $47,728 in fiscal 1990 and $92,840 in fiscal 1991 for the pay plan.

Appropriations for operating expenses are less than requested in the executive budget, primarily because contract services and supplies were reduced by $14,243 per year to reflect expenditures funded by transfers from personal services.

Office equipment is $2,000 per year higher than the executive budget, reflecting an allocation for equipment equal to that budgeted in fiscal 1988.

LEGISLATIVE ACTION

AGENCY: SUPERINTENDENT OF PUBLIC INSTRUCTION — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	121.90	118.40	124.40	6.00	118.40	124.40	6.00	2.50
Personal Services	$3,290,078	$3,423,221	$3,808,402	$ 385,181	$3,429,054	$3,935,367	$ 506,313	15.75
Operating Expenses	1,717,116	1,918,937	2,654,189	735,252	1,871,977	2,260,613	388,636	54.57
Equipment	109,595	91,065	121,439	30,374	88,890	83,352	(5,538)	10.81
Non-Operating	336,450	387,912	519,120	131,208	387,912	519,120	131,208	54.29
TOTAL EXPENSES	$5,453,239	$5,821,135	$7,103,150	$1,282,015	$5,777,833	$6,798,452	$1,020,619	30.26
FUNDING								
General Fund	$2,503,522	$2,593,622	$3,187,512	$ 593,890	$2,567,255	$2,844,364	$ 277,109	27.32
State Special Rev	552,829	557,679	304,760	(252,919)	557,688	289,475	(268,213)	(44.87)
Federal Revenue	2,396,888	2,669,834	2,701,568	31,734	2,652,890	2,757,748	104,858	12.71
Proprietary Revenue	0	0	909,310	909,310	0	906,865	906,865	0.00
TOTAL FUNDING	$5,453,239	$5,821,135	$7,103,150	$1,282,015	$5,777,833	$6,798,452	$1,020,619	30.26

Program Description: The Office of Public Instruction (OPI) provides general supervision of the public primary and secondary schools in Montana. OPI administers federal and state regulations applicable to the school districts, provides technical and curriculum assistance, monitors federal programs and expenditures, provides state leadership to school districts, and disburses state funds to school districts. The Superintendent of Public Instruction is an elected official who serves a four-year term.

The state administrative function was composed of five programs in the 1989 biennium - Chief State School Officer, Basic Skills, Vocational Education, Administrative Services, and Special Services. The office has reorganized and is now composed of three programs - State Superintendent's Office, Central Services, and Educational Services.

The State Superintendent program provides leadership, direction, and coordination services to a variety of school and public groups. The staff provides assistance to the Superintendent of Public Instruction in performing prescribed duties requiring the superintendent's personal attention or representation. The program supports the superintendent's statutory role with the Board of Public Education, Board of Regents, Land Board, and various elected officials. School publications are also included in this program.

The Administrative Services program is responsible for the reporting, distribution, and accounting of state and federal funds provided to school districts. The program provides data processing, word processing, purchasing, legal, payroll, personnel, mail, analytical, and accounting support to operations within the Office of Public Instruction. This program responds to requests for information and data from school districts, federal programs, elected officials, and the general public. Reference library functions also reside within this program.

The Educational Services program administers all federal grants received by the Office of Public Instruction. This program also administers teacher certification, accreditation, vocational education, adult basic education, the film library, driver's education, school food services, and audiology.

Legislative Intent: Language in House Bill 100 states that $62,920 in fiscal 1990 and $86,080 in fiscal 1991 for implementation of Senate Bill 203 are "contingent on passage of SB 203." Senate Bill 203 did not pass. Therefore, the main table does not include the implementation appropriations. In Special Session I, House Bill 28 appropriated $149,000 for this purpose, which is shown as a biennial appropriation in the main table in fiscal 1990.

Budget: The budget for the Office of Public Instruction increases 30.3 percent from fiscal 1988 to fiscal 1990. Personal services increase 15.8 percent primarily because of: 1) an 8 percent vacancy savings of $297,631 which was realized in fiscal 1988, but no vacancy savings was applied in the 1991 biennium; 2) position upgrades of approximately $26,600 which was in fiscal 1990 and $20,600 in fiscal 1991; 3) the addition of 2.50 FTE and $68,863 in personal services for Chapter I and McKinney Homeless Act program expansions as discussed below; and 4) the addition of $118,593 in fiscal 1990 and $245,558 in fiscal 1991 for the pay plan.

Operating expenses increase 54.6 percent primarily for two reasons. First, the Central Services program was appropriated proprietary funds which included $336,450 of indirect cost from federal funds. State Accounting requires the transfers of indirect costs be done through the other expenditure category which is in operating expenses. In fiscal 1988, this transfer was recorded in the non-operating expenditure category. This accounting change makes up 19.6 percent of the operating expense increase as shown in Table 1. Second, actual increases in operating expenses of 35.0 percent are primarily the result of: 1) travel increases of $83,114 in fiscal 1990 and $87,879 in fiscal 1991; 2) program expansions of $164,889 approved for Math/Science Grants, Byrd Scholarships, Chapter I, and the McKinney Homeless Act, as discussed below; 3) a biennial appropriation of $204,950 in general fund in fiscal 1990 for establishing standard accounting and reporting practices in all public school districts as approved in House Bill 16, Special Session I; and 4) a biennial general fund appropriation of $149,000 fiscal 1990 for implementation of the school funding act as approved in House Bill 28, Special Session I.

Table 1
Actual and Accounting Adjustment Increases in Operating Expenses
Fiscal 1988/1990

Category	Actual FY 1988	Actual Increase	Accounting Increase	FY 1990 Total	- - FY88-90 % Change - - Actual	Accounting
Operating Expenses						
Operating	$1,717,116	$547,929	$ -0-	$2,265,045	--	--
Indirect Cost Transfer to Proprietary Account	-0-	52,694	336,450	389,144	--	--
Total Operating	$1,717,116	$600,623	$ 336,450	$2,654,189	34.98	19.59
Non-Operating Expenses						
Non-operating - 1988 Base	$ 336,450	$ 52,694	$(389,144)	$ -0-	--	--
General Fund Transfer to Proprietary Account	-0-	-0-	519,120	519,120	--	--
Total Non-operating	$ 336,450	$ 52,694	$ 129,976	$ 519,120	15.66	38.63

Equipment increases 10.8 percent because the legislature: 1) reduced actual expenditures by $48,964 to the appropriated fiscal 1988 level; and 2) approved fiscal 1990 increases of $8,212 for audio/visual library films, program expansions of $27,596 for computers, and $25,000 for Driver Education facility improvements. Fiscal 1991 increases included $1,571 for films and $21,150 for computers. These appropriations are higher than actual 1988 expenditures by $11,844 in fiscal 1990 and lower by $26,243 in fiscal 1991.

Non-operating expenses in fiscal 1988 consisted of transfers from federal funds to the indirect cost pool. Those transfers in the 1991 biennium are included with the operating expenses in the proprietary fund as shown in Table 1. The $519,120 shown as non-operating costs in each year of the 1991 biennium is a transfer from the general fund to the proprietary fund. The 54.3 percent increase in non-operating costs is, therefore, the result of a 15.7 percent or $52,694 real increase and a 38.6 percent or $129,976 increase due to accounting changes.

Table 2 on the following page shows the expenditures and funding by program for the 1991 biennium.

Table 2
Office of Public Instruction
Budget Detail by Program - 1991 Biennium

Budget Item	Fiscal 1990	Fiscal 1991
State Superintendent		
FTE	7.00	7.00
Personal Services	$ 273,050	$ 281,450
Operating Expenses	114,326	111,477
Equipment	-0-	-0-
Non-Operating	25,204	25,204
TOTAL EXPENSES	$ 412,580	$ 418,131
FUNDING		
General Fund	$ 412,580	$ 418,131
Central Services		
FTE	40.50	40.50
Personal Services	$1,147,618	$1,187,624
Operating Expenses	979,096	613,617
Equipment	27,596	28,095
Non-Operating	456,156	456,156
TOTAL EXPENSES	$2,610,466	$2,285,492
FUNDING		
General Fund	$1,668,372	$1,345,843
Resources and Assessment	5,000	5,000
Federal	27,784	27,784
Proprietary	909,310	906,865
TOTAL FUNDING	$2,610,466	$2,285,492
Educational Services		
FTE	76.90	76.90
Personal Services	$2,387,734	$2,466,293
Operating Expenses	1,560,767	1,535,519
Equipment	93,843	55,257
Non-Operating	37,760	37,760
TOTAL EXPENSES	$4,080,104	$4,094,829
FUNDING		
General Fund	$1,106,560	$1,080,390
School Foods	46,097	46,097
Traffic Safety	107,476	110,250
A/V Library	63,524	64,672
Driver Education	82,663	63,456
Federal	2,673,784	2,729,964
TOTAL FUNDING	$4,080,104	$4,094,829
Total Agency		
Total Agency Funding	$7,103,150	$6,798,452

The State Superintendent Program is the previous Chief State School Officer Program, and Central Services is primarily the Administrative Services Program, plus word processing from the Basic Skills program. The Educational Services Program includes the previous Vocational Education, Basic Skills, and Special Services programs, plus school foods and bus safety from the Administrative Services program.

Program Expansions: The legislature approved six program expansions as follows:

1. Additional Travel - $147,052 in fiscal 1990 and $147,376 in fiscal 1991 for additional travel expenses provided by federal funds. The total travel approved ($457,111 in fiscal 1990 and $461,876 in fiscal 1991) is higher than actual 1988 travel by $83,114 in fiscal 1990 and $87,879 in fiscal 1991.

2. Additional Equipment - $25,496 in fiscal 1990 and $19,050 in fiscal 1991 from general fund for replacement computers in the Central Services Program; $25,000 in fiscal 1990 from Driver Education funds for electricity and lighting, a water system, and a mobile classroom at the Driver Education facility.

3. Math/Science Grants - $49,852 each year from federal Math/Science Grants for teacher workshops.

4. Byrd Scholarships - $36,000 each year from the federal Byrd Scholarship program for administration costs and for $1,500 honors scholarships for approximately 17 students.

5. Chapter I - 1.50 FTE and $100,000 each year from federal Chapter I funds to administer grants for disadvantaged children to be expended as follows: $40,227 for personal services; $57,673 for operating expenses; and $2,100 for computers.

6. McKinney Homeless Act - 1.00 FTE and $50,000 each year to identify homeless adults and to implement a program of literacy and basic skills remediation. These funds are to be expended as follows: $28,636 for personal services and $21,364 for operating expenses.

Funding: In fiscal 1990, 44.9 percent of the funding is provided by the general fund. The remaining funding, summarized in Table 2 and detailed in Table 3, is 4.3 percent state special revenue, 38 percent federal funds, and 12.8 percent proprietary funds. The proprietary funding shown in columns 3 and 6 of the main table for fiscal 1990 and 1991 is a portion of the funding for the Central Services Program. The proprietary revenue is: 1) $389,144 in fiscal 1990 and $385,601 in fiscal 1991 from indirect costs of administering federal funds; 2) $519,120 each year from transfers from the general fund; and 3) $1,046 in fiscal 1990 and $1,244 in fiscal 1991 for the pay plan allocation.

Table 3
Federal and State Special Revenue - Indirect Charges

Program/Grants	Fiscal 1990 Indirect Costs	Fiscal 1990 State Special	Fiscal 1990 Federal	Fiscal 1990 Proprietary	Fiscal 1991 Indirect Costs	Fiscal 1991 State Special	Fiscal 1991 Federal	Fiscal 1991 Proprietary
Administration	$ -0-	$ -0-	$ -0-	$ 25,204	$ -0-	$ -0-	$ -0-	$ 25,204
Central Services								
Resources & Assessment	$ -0-	$ 5,000	$ -0-	$ -0-	$ -0-	$ 5,000	$ -0-	$ -0-
Chapter II	3,935	-0-	27,784	-0-	3,935	-0-	27,784	-0-
Indirect Costs	-0-	-0-	-0-	389,144	-0-	-0-	-0-	385,601
Proprietary - Gen. Fund	-0-	-0-	-0-	457,202	-0-	-0-	-0-	458,300
Educational Services								
Film Library	$ 6,000	$ 63,524	$ -0-	$ -0-	$ 6,000	$ 64,672	$ -0-	$ -0-
Traffic Education	16,102	107,476	-0-	-0-	16,102	110,250	-0-	-0-
School Foods	-0-	46,097	-0-	-0-	-0-	46,097	-0-	-0-
Drivers' Education	7,355	82,663	-0-	-0-	7,355	63,456	-0-	-0-
Johnson-O'Malley	2,831	-0-	16,000	-0-	2,831	-0-	16,000	-0-
Veterans' Education	2,000	-0-	58,628	-0-	2,000	-0-	58,628	-0-
Math Science	2,745	-0-	49,852	-0-	2,745	-0-	49,852	-0-
Carl F. Perkins	30,902	-0-	174,633	-0-	30,902	-0-	174,633	-0-
JTPA	5,830	-0-	41,161	-0-	5,829	-0-	41,160	-0-
Adult Basic Education	7,082	-0-	50,000	-0-	7,082	-0-	50,000	-0-
Total School Foods	44,097	-0-	292,000	-0-	40,554	-0-	266,985	-0-
Computer Search	9,914	-0-	70,000	-0-	9,914	-0-	70,000	-0-
Chapter II	50,265	-0-	411,521	-0-	50,265	-0-	492,716	-0-
EHA	83,170	-0-	470,000	-0-	83,170	-0-	470,000	-0-
Deaf/Blind	10,339	-0-	73,000	-0-	10,339	-0-	73,000	-0-
Sex Desegregation	32,858	-0-	232,000	-0-	32,858	-0-	232,000	-0-
Chapter I	42,391	-0-	343,000	-0-	42,391	-0-	343,000	-0-
Diffusion Bilingual, Origin	7,110	-0-	50,200	-0-	7,110	-0-	50,200	-0-
Drugs and Alcohol	-0-	-0-	50,000	-0-	-0-	-0-	50,000	-0-
AIDS	17,137	-0-	121,000	-0-	17,137	-0-	121,000	-0-
Other Federal Grants	-0-	-0-	84,789	-0-	-0-	-0-	84,790	-0-
Byrd Scholarship	-0-	-0-	36,000	-0-	-0-	-0-	36,000	-0-
McKinney Homeless	7,081	-0-	50,000	-0-	7,082	-0-	50,000	-0-
Proprietary	-0-	-0-	-0-	37,760	-0-	-0-	-0-	37,760
TOTAL ALL PROGRAMS	$389,144	$304,760	$2,701,568	$909,310	$385,601	$289,475	$2,757,748	$906,865

Other Legislation:

House Bill 16, Special Session I, appropriates $204,950 from general fund to the Superintendent of Public Instruction to establish standard accounting and reporting practices in all Montana public school districts. This biennial appropriation is part of the fiscal 1990 operating expense of the Central Services Program.

House Bill 28, Special Session I, appropriates $149,000 to the Superintendent of Public Instruction for implementation of the public school equalization bill. This biennial appropriation is part of the fiscal 1990 operating expense of the Central Services Program.

House Bill 36, Special Session I, states that, "all revenue received in the state traffic education account under the provisions of 20-7-504 is appropriated to be distributed as provided in 20-7-506." This language provides the authority for the Office of Public Instruction to distribute funds from traffic fines to districts conducting approved traffic education courses. House Bill 36 also appropriates an additional $25,000 for the Advanced Driver Education School in Lewistown and reduces federal revenue by a like amount.

Difference From Executive: The personal services appropriation is greater than the executive budget because: 1) vacancy savings of approximately $69,000 per year was eliminated; 2) 6.50 FTE vacant positions and approximately $197,000 removed by the executive budget were restored by the legislature; and 3) $118,593 in fiscal 1990 and $245,558 in fiscal 1991 were added for the pay plan. Included in the pay plan appropriations were proprietary funds of $1,046 in fiscal 1990 and $2,144 in fiscal 1991.

Operating expenses increase $735,252 in fiscal 1990 and $388,636 in fiscal 1991 primarily because: 1) accounting changes resulted in the transfer of non-operating costs of $389,144 in fiscal 1990 and $385,601 in fiscal 1991 to proprietary fund operating expenses; 2) the legislature approved a decrease of $7,842 in fiscal 1990 and an increase of $3,035 in fiscal 1991 in operating expenses, primarily for travel; 3) a biennial appropriation of $204,950 was approved in House Bill 16, Special Session I, for establishing standard accounting and reporting practices in all public school districts; and 4) a biennial appropriation of $149,000 in fiscal 1990 was approved in House Bill 28, Special Session I, for implementation of the bill.

The equipment budget was increased by approximately $25,000 in the 1991 biennium to purchase replacement computers.

Non-operating expenses in the executive budget are transfers from federal funds to the indirect cost pool. These expenses are included with proprietary fund operating expenses as a result of an accounting change. The $519,120 non-operating appropriated for each year by the legislature is a transfer from the general fund to the proprietary fund.

LEGISLATIVE ACTION

AGENCY: OFFICE OF PUBLIC INSTRUCTION PROGRAM: DISTRIBUTION TO SCHOOLS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
Special Education	$27,352,686	$27,361,646	$33,361,646	$6,000,000	$27,361,646	$33,361,646	$6,000,000	21.97
Special Ed. Contingency	487,652	500,000	500,000	0	500,000	500,000	0	2.53
Transportation	6,252,894	6,252,894	6,252,894	0	6,252,894	6,252,894	0	0.00
School Foods	594,373	594,751	599,397	4,646	594,751	599,397	4,646	0.85
Secondary Vo-Ed	0	0	900,000	900,000	0	900,000	900,000	0.00
Impact Aid	3,633	5,000	5,000	0	5,000	5,000	0	37.63
Gifted & Talented	94,013	100,000	100,000	0	100,000	100,000	0	6.37
Adult Basic Education	147,523	200,000	200,000	0	250,000	250,000	0	35.57
Federal Discretionary Grants								
a) Vocational Education	2,046,436	2,183,400	2,500,000	316,600	2,183,400	2,500,000	316,600	22.16
b) EHA - B	116,052	475,000	425,000	(50,000)	505,000	505,000	0	266.22
c) Pre-School Incentive	26,064	50,000	50,000	0	50,000	50,000	0	91.84
d) JTPA	514,211	537,500	508,602	(28,898)	470,000	508,602	38,602	(1.09)
e) Adult Basic Education	453,301	537,500	475,208	(62,292)	525,208	498,968	(26,240)	4.83
f) McKinney Homeless	0	129,988	140,414	10,426	129,988	70,212	(59,776)	0.00
g) EHA Architectural	0	0	32,000	32,000	0	0	0	0.00
TOTAL EXPENSES	$38,088,838	$38,927,679	$46,050,161	$7,122,482	$38,927,887	$46,101,719	$7,173,832	20.90
FUNDING								
General Fund	$34,785,251	$34,856,481	$41,918,937	$7,062,456	$34,836,386	$41,968,937	$7,132,551	20.51
State Special Rev	147,523	178,905	0	(178,905)	227,905	0	(227,905)	(100.00)
Federal Revenue	3,156,064	3,892,293	4,131,224	238,931	3,863,596	4,132,782	269,186	30.90
TOTAL FUNDING	$38,088,838	$38,927,679	$46,050,161	$7,122,482	$38,927,887	$46,101,719	$7,173,832	20.90

Legislative Intent: The legislature approved language for two appropriations for Distribution to Schools. The first was a modification to language which had been included in previous appropriations bills to clarify required procedures for the disbursement of special education contingency funds. That language is as follows:

The special education contingency, a biennial appropriation, is for emergencies that may arise in special education programs in local districts. A district board of trustees may apply for an allocation from these funds by presenting to the superintendent of public instruction, for each child, a child-study team (CST) report and an individual education plan (IEP) relating to this unforeseen expense, or if the need for additional personnel is due to caseload excess, a board of trustee verification of completed IEPs and CSTs. In addition, a current listing of programs, caseloads and related costs must be submitted. Contingency funds can be awarded for positions which have gone unfilled for an entire school year and for whom regular state special education funds were not awarded.

The second appropriation for which language was included was the appropriation of general fund to Adult Basic Education. That language is as follows:

There is appropriated in adult basic education general fund of $146,095 in fiscal 1990 and $146,095 in fiscal 1991 to replace education trust fund interest earnings. If education trust fund interest earnings become available during the biennium, one dollar of general fund will revert for each dollar of education trust interest earnings.

Budget: Distribution to public schools is the state fund disbursement function of the Office of Public Instruction. The individual budget components of Distribution to Public Schools are summarized in the following narrative.

Special Education. Federal and state laws direct school districts to provide a free and appropriate public education program for all handicapped children. Special education provides this education for children with a variety of handicapping conditions. The general fund amount of $33,361,646 each year includes $2,254 per student for the anticipated 14,800 children who will participate in the program. A program expansion of $6,000,000 per year is included in the special education appropriation.

Special Education Contingency. Special education contingency funds are granted to meet unexpected needs in district special education budgets and are awarded by the Office of Public Instruction as needed. The appropriated amount of $1,000,000 general fund over the biennium is equal to that appropriated in the 1989 biennium.

Transportation. School districts providing student transportation from home to school in excess of three miles are entitled to a statutory reimbursement based upon rate per mile and upon bus size and occupancy. The state's share of this reimbursement totals one-third of the statutory rate. The state's share for special education students equals two-thirds of the statutory rate. The general fund appropriation of $6,252,894 each year represents the full state reimbursement schedules.

School Foods. School foods provides for the maintenance of effort required on federal school food reimbursements. Each state must expend up to 30 percent of the federal contribution in the 1980-81 school year. Reductions in this required maintenance of effort level are given to those states whose average income is below the national average. Montana's matching rate is expected to total approximately 23.93 percent, or $599,397 of general fund each year of the biennium.

Secondary Vocational Education. OPI provided funds during the 1987 biennium to school districts in excess of the school foundation program funds and district levies to fund "excess" costs associated with secondary vocation education programs and provide some property tax relief. "Excess" costs are those additional costs associated with vocational education not associated with other programs, such as additional equipment and full year teaching contracts. The legislature approved $900,000 of general funds as a program expansion each year of the 1991 biennium for secondary vocational education. These funds had been eliminated by the 1987 legislature for the 1989 biennium.

Impact Aid. Section 20-9-304, MCA, provides for supplementary payments from the state to school districts that provide education to children of employees of public institutions. The appropriated level of $5,000 of general fund each year maintains the fiscal 1988 appropriated level.

Gifted and Talented. The Gifted and Talented Program was initiated in fiscal 1982 to provide funds to local school districts to begin or maintain programs for gifted and talented students. The appropriated level of $100,000 of general fund is the same level as appropriated by the 1987 legislature.

Adult Basic Education. Adult Basic Education provides high school level education to persons who wish to receive their high school equivalency degree. Funds were provided from 10 percent of the interest on the education trust fund in the 1989 biennium. However, the 1989 legislature withdrew the Education Trust Fund balance as of June 30, 1989. Therefore, Adult Basic Education is funded with $200,000 in fiscal 1990 and $250,000 in fiscal 1991 from the general fund. In addition to general fund, $475,208 in fiscal 1990 and $498,698 in fiscal 1991 of federal discretionary funds for adult basic education are appropriated to the Office of Public Instruction for grants to local school districts.

Federal Discretionary Funds. These funds are received from the U.S. Department of Education for use by local school districts in the manner prescribed by each federal act authorizing the grants. Because the Office of Public Instruction has discretion regarding the final grant recipients, these funds must be appropriated by the legislature.

Program Expansions: The legislature approved three program expansions in Distribution to Schools as follows:

1. Special Education. The legislature approved an additional $6,000,000 of general fund per fiscal year to more fully fund special education costs. In fiscal 1988 the state provided $27,631,646 for special education. The difference between that and actual costs was funded at the district level.

2. Vocational Education. The legislature approved $900,000 of general fund per fiscal year for additional costs associated with vocational education, such as for equipment and full-year teaching contracts.

3. Adult Basic Education. The legislature approved an addition of $53,905 in fiscal 1990 and $103,905 in fiscal 1991 to achieve an expanded general fund supported funding level of $200,000 in fiscal 1990 and $250,000 in fiscal 1991 for adult basic education.

Difference From Executive: The appropriation is greater than the executive budget by over $7.1 million per year. Of that increase, $6.0 million for special education and $900,000 for secondary vocational education were requested by Governor Stephens and approved by the legislature. The appropriation for school foods was increased by $4,646 each year to increase the match for federal funds. A net increase in spending authority of $217,836 in fiscal 1990 and $269,186 in fiscal 1991 was approved for federal discretionary grants.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE COUNCIL FOR VOCATIONAL EDUCATION — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	2.00	2.50	2.50	0.00	2.50	2.50	0.00	0.50
Personal Services	$ 57,792	$ 74,720	$ 78,723	$4,003	$ 74,922	$ 81,663	$6,741	36.22
Operating Expenses	49,932	59,004	60,862	1,858	55,422	57,280	1,858	21.89
Equipment	878	500	500	0	500	500	0	(43.05)
TOTAL EXPENSES	$108,602	$134,224	$140,085	$5,861	$130,844	$139,443	$8,599	28.99
FUNDING								
Federal Revenue	$108,602	$134,224	$140,085	$5,861	$130,844	$139,443	$8,599	28.99

Program Description: The Montana State Council for Vocational Education is responsible for providing leadership in vocational-technical education for Montana. The council consists of 13 members representing business, industry, agriculture, labor, and vocational education. The 2.50 FTE include a director, and administrative assistant, and a half-time secretary.

Legislative Intent: The addition of the 0.50 FTE secretary position is contingent upon the availability of federal grant funds.

Budget: The increase of 36.2 percent in personal services results from: 1) the director position was vacant for four months during fiscal 1988 resulting in a savings of $3,206; 2) upgrades were approved by the Department of Administration for the 2.00 FTE existing positions; 3) a 0.50 FTE secretary modified position was added; and 4) pay plan of $2,526 was added in fiscal 1990. The 1991 pay plan total is $5,261.

Operating expenses increase 21.9 percent due to: 1) activities of the council were curtailed when the director's position was vacant resulting in expenditures that were $8,192 less than budgeted and; 2) the agency has added the AD-VOC telecommunications subscription service which costs $600 annually for on-line charges and $300 annually for maintenance.

Equipment includes miscellaneous office equipment and computer software updates for a total of $500 each year of the biennium.

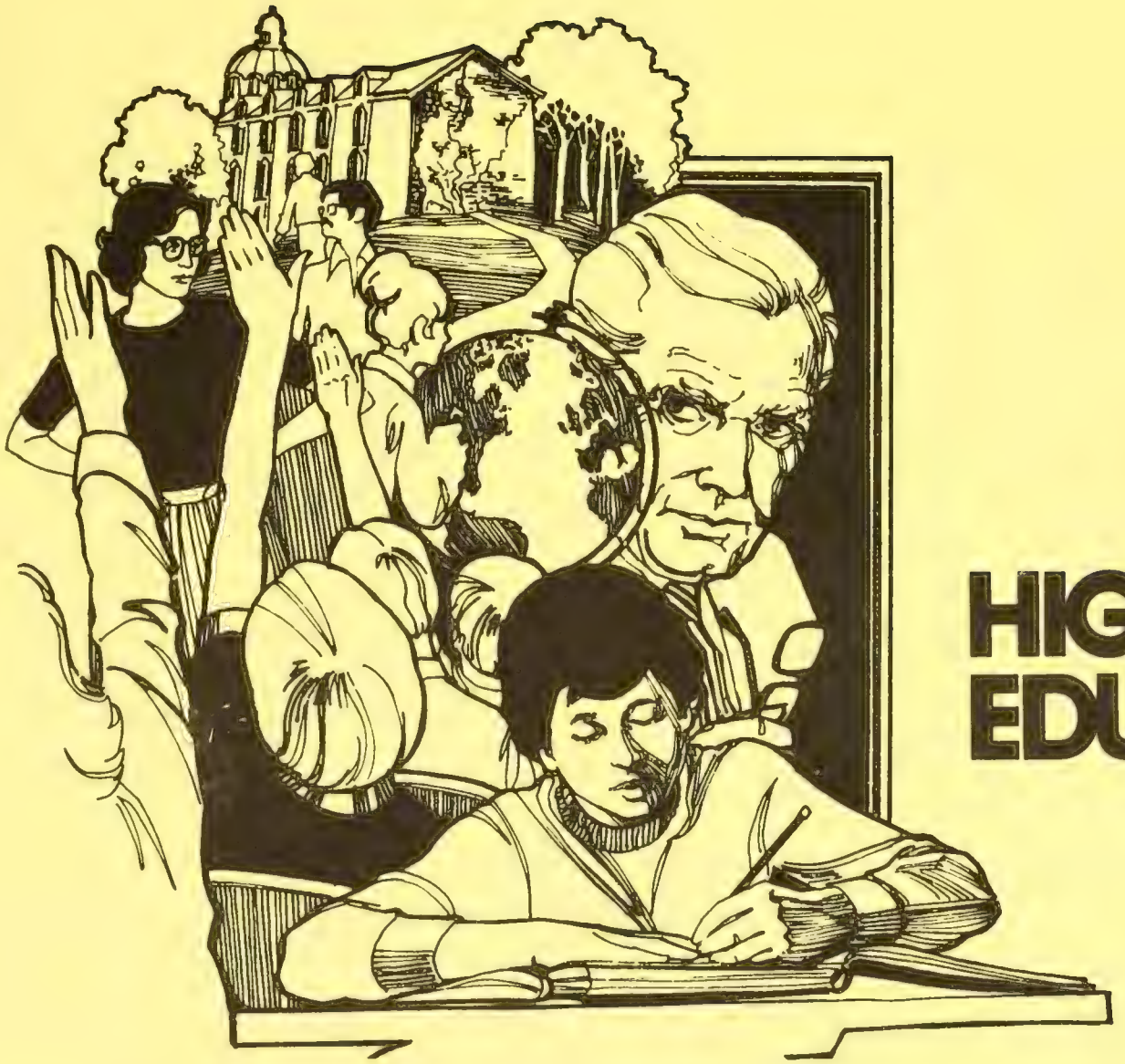
Program Expansion:

1. Secretary Position. The legislature added the agency's modified request for a 0.50 secretary position to ease the workload of the administrative assistant position. This additional 0.50 FTE costs $8,666 in fiscal 1990 and $8,671 in fiscal 1991. The position is funded with federal Carl Perkins vocational education grant funds.

Funding: The council is funded entirely from federal vocational education funds.

Difference from Executive: Personal services are higher than the executive by $4,003 in fiscal 1990 and $6,741 in fiscal 1991. This difference results from two factors: 1) the executive included a 2 percent vacancy savings rate which totaled $1,469 in fiscal 1990 and $1,473 in fiscal 1991 while the appropriation includes no vacancy savings; and 2) the appropriation includes pay plan of $2,526 in fiscal 1990 and $5,261 in fiscal 1991.

Operating expenses are $1,858 higher each year of the 1991 biennium than the executive as a result of the legislature appropriating $1,725 each year for out-of-state travel that the executive did not include. The legislature also included $130 each year for other expenses that the executive did not.



HIGHER EDUCATION

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	33.85	61.00	61.15	0.15	61.00	60.15	(0.85)	27.30
Personal Services	$ 1,031,167	$ 1,649,350	$ 1,747,475	$ 98,125	$ 1,651,397	$ 1,796,331	$ 144,934	69.47
Operating Expenses	1,588,635	1,465,694	1,505,624	39,930	1,285,385	1,302,879	17,494	(5.23)
Equipment	71,440	63,986	71,131	7,145	25,407	26,716	1,309	(0.43)
Non-Operating	15,457,689	17,738,045	20,272,594	2,534,549	19,168,873	21,866,521	2,697,648	31.15
TOTAL EXPENSES	$18,148,931	$20,917,075	$23,596,824	$2,679,749	$22,131,062	$24,992,447	$2,861,385	30.02
FUNDING								
General Fund	$ 4,714,426	$ 4,768,975	$ 6,279,581	$1,510,606	$ 4,881,322	$ 6,405,507	$1,524,185	33.20
State Special Rev	683,164	281,000	0	(281,000)	279,000	0	(279,000)	(100.00)
Federal Revenue	4,728,870	6,390,705	7,019,864	629,159	6,194,343	6,831,994	637,651	48.45
Proprietary Revenue	8,022,471	9,476,395	10,297,379	820,984	10,776,397	11,754,946	978,549	28.36
TOTAL FUNDING	$18,148,931	$20,917,075	$23,596,824	$2,679,749	$22,131,062	$24,992,447	$2,861,385	30.02

Program Description: The Commissioner of Higher Education is the chief administrative officer of the university system, appointed by the Board of Regents as provided in the 1972 Constitution. The commissioner and agency personnel are responsible for providing research, leadership, technical assistance, and staff support to the Board of Regents, the six units, the five vocational-technical centers, and the community colleges. The agency also provides administration for state and federal student assistance programs, not only for educational institutions under the supervision and control of the regents, but also other postsecondary education institutions according to federal program regulations.

The programs of the commissioner's office are discussed in the narrative that follows. Included are: 1) administration program; 2) student assistance program; 3) education for economic security; 4) university system group insurance program; 5) talent search; 6) vo-tech administration; 7) guaranteed student loan program; 8) Board of Regents administration; and 9) vo-tech bond payments.

Budget: There is an increase in FTE of 27.30 as a result of: 1) the Guaranteed Student Loan Program increase of 27.00 FTE to implement loan processing in Helena; 2) the Talent Search Program's increase of 0.15 FTE to adjust a 0.68 FTE to 0.83 FTE in line with other coordinator positions as well as the addition of a 1.00 FTE coordinator for the SHEEO grant;

and 3) the Administration Program's decrease of 0.85 FTE as a result of the Cobb amendment which removed a 0.50 FTE attorney position and a 0.35 FTE clerical position that were vacant longer than six months. Overall, personal services in the commissioner's office increase 69.5 percent from fiscal 1988 to fiscal 1990. The primary factors causing this increase are: 1) the amount of vacancy savings achieved in fiscal 1988 that is not applied in fiscal 1990, 14.6 percent in the Administration Program and 16.7 percent in the Vo-Tech Administration Program; 2) the Guaranteed Student Loan Program expansion adding 27.00 FTE and approximately $511,000 each year of the 1991 biennium; and 3) the pay plan appropriation in House Bill 786 of $57,352 in fiscal 1990 and $119,230 in fiscal 1991.

Operating expenses decrease 5.2 percent due primarily to: 1) the Administration Program decrease of $24,000 from the fiscal 1988 spending level after the legislature reduced the increased fiscal 1988 expenditure base; 2) the group insurance program reduced planned expenditures for the Wellness Program by approximately $8,000 each year of the 1991 biennium; and 3) the Guaranteed Student Loan Program contracted services decrease $90,458 from fiscal 1988 to fiscal 1990 and $257,743 from fiscal 1988 to fiscal 1991 as the loan processing is taken over locally and phased out with USA Funds Inc. of Indianapolis, Indiana. These decreases are offset by an increase in the Talent Search program of $16,300 for the SHEEO grant operating funds and an increase of approximately $8,200 in the Vo-Tech Administration program operating base. Other minor increases amount to less than one percent.

Equipment expenditures in fiscal 1990 remain about the same as fiscal 1988 actual expenditures, while the fiscal 1991 equipment expenditures drop to $26,716. Most of the equipment expenditures are for office equipment for the expanded guaranteed student loan processing which includes $57,087 in fiscal 1990 and $25,087 in fiscal 1991 of federal funds.

Non-operating expenses increase 31.2 percent from fiscal 1988 to fiscal 1990. This increase is due to: 1) the Student Assistance Program increasing 6.3 percent to add $24,863 annually for vo-tech state work study, $90,273 annually to adjust state work study funds for tuition increases, and $46,921 in fiscal 1990 and $99,056 in fiscal 1991 to add state matching funds for Supplemental Education Opportunity Grants (SEOG); 2) the group insurance program increases of $2.3 million from fiscal 1988 to fiscal 1990 and an additional $1.46 million from fiscal 1990 to fiscal 1991 for increased minimum premiums and anticipated claims payments; and 3) the Vo-Tech Administration Program increases of $2.5 million in federal Carl Perkins funds for granting to state vocational education programs because fiscal 1988 only reflects new federal funds received during the start-up of the program and the program anticipates an additional $528,187 of new Carl Perkins funds available during the 1991 biennium.

Funding: The general fund increases 33.2 percent from fiscal 1988 to fiscal 1990 primarily to fund a zero vacancy savings rate, student assistance expansions, and the loss of state special coal tax revenues. The state special coal tax revenues decrease 100.0 percent because coal tax revenues are lost after earnings were appropriated elsewhere. Federal funds increase 48.5 percent as more Carl Perkins funds are available for granting to the state's vocational education programs. Proprietary revenue increases 28.4 percent to fund the group insurance program.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION — PROGRAM: ADMINISTRATION PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	14.40	14.40	13.55	(0.85)	14.40	13.55	(0.85)	(0.85)
Personal Services	$510,086	$578,827	$579,488	$ 661	$579,910	$598,224	$ 18,314	13.61
Operating Expenses	260,315	276,911	250,738	(26,173)	261,539	235,891	(25,648)	(3.68)
Equipment	6,493	320	7,465	7,145	320	1,629	1,309	14.97
TOTAL EXPENSES	$776,894	$856,058	$837,691	$(18,367)	$841,769	$835,744	$ (6,025)	7.83
FUNDING								
General Fund	$776,894	$856,058	$837,691	$(18,367)	$841,769	$835,744	$ (6,025)	7.83

Program Description: The Administration Program budget provides funding for the major functions of the commissioner's office, including coordination of university system units and vocational technical centers with regard to academic planning, budget planning and funds distribution, legal services, and labor negotiation policies and procedures. This budget also provides staff support and supplies for the Student Assistance Program.

Budget: There is a 0.85 FTE decrease as a result of the full appropriations committee action which deleted positions that were vacant six months or more in fiscal 1988. Deleted are a 0.50 FTE attorney position and a 0.35 FTE clerical position. Personal services increase 13.6 percent due to vacancy savings of 14.6 percent achieved in fiscal 1988 and no vacancy savings applied in the 1991 biennium and the appropriation of pay plan totaling $16,603 in fiscal 1990 and $34,341 in fiscal 1991.

Operating expenses decrease 3.7 percent after reducing operating expenditures $43,538 to the 1988 appropriated level and then adding $19,000 annually for increased computer maintenance charges. Audit fees of $16,847 are included in fiscal 1990.

Equipment is included at the agency requested level of $7,465 in fiscal 1990 and $1,629 in fiscal 1991. The commissioner's office will replace some computer equipment and software, two typewriters, two transcribers, and an overhead projector, and purchase four additional file cabinets.

Funding: The Administration Program is funded entirely with general fund which increases 7.8 percent from fiscal 1988 to fiscal 1990.

Difference from Executive: Personal services differ from the executive by $661 in fiscal 1990 and $18,314 in fiscal 1991 for three reasons: 1) the legislature deleted 0.85 FTE, costing $27,755 in fiscal 1990 and $27,862 in fiscal 1991, that are included in the executive; 2) the legislature applied no vacancy savings compared with a four percent vacancy savings rate applied by the executive that totaled $11,813 in fiscal 1990 and $11,835 in fiscal 1991; and 3) the legislature appropriated pay plan of $16,603 in fiscal 1990 and $34,341 in fiscal 1991.

Operating costs are $26,173 lower in fiscal 1990 and $25,648 lower in fiscal 1991. The legislature appropriated $29,816 in fiscal 1990 and $29,532 in fiscal 1991 less than the executive for insurance charges from the Department of Administration Tort Claims Division. The legislature appropriated $16,400 less in fiscal 1990 and $15,900 less in fiscal 1991 than the executive for consulting fees, printing, parking fees, office equipment maintenance, and other expenses. The legislature appropriated $1,800 more than the executive for advertising, and $19,000 more for computer maintenance charges each year of the 1991 biennium.

The legislature appropriated the agency request for equipment which is $7,145 higher in fiscal 1990 and $1,309 higher in fiscal 1991 than the executive.

The administration program is funded entirely from the general fund which is $18,367 less in fiscal 1990 and $6,025 less in fiscal 1991 than the executive.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION — PROGRAM: STUDENT ASSISTANCE PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
WICHE Dues	$ 59,000	$ 65,100	$ 65,100	$ 0	$68,400	$ 68,400	$ 0	10.34
WICHE Student Assistance	1,779,668	1,594,400	1,664,400	70,000	1,623,267	1,657,667	34,400	(6.48)
WAMI Student Assistance	1,884,790	2,057,872	2,057,872	0	2,152,280	2,152,280	0	9.18
MN Rural Dentistry	90,400	70,200	93,600	23,400	71,400	95,200	23,800	3.54
State Student Incentive Grants	419,394	220,000	440,000	220,000	220,000	440,000	220,000	4.91
Perkins Loan (NDSL)	53,981	55,000	55,000	0	55,000	55,000	0	1.89
Work Study	276,450	366,723	391,586	24,863	366,724	391,587	24,863	41.65
Paul Douglas	45,610	82,728	82,728	0	82,728	82,728	0	81.38
SEOG	0	0	46,921	46,921	0	99,056	99,056	0.00
TOTAL EXPENSES	$4,609,293	$4,512,023	$4,897,207	$ 385,184	$4,639,799	$5,041,918	$ 402,119	6.25
FUNDING								
General Fund	$3,671,125	$3,928,295	$4,594,479	$ 666,184	$4,058,071	$4,739,190	$ 681,119	25.15
State Special Rev	683,164	281,000	0	(281,000)	279,000	0	(279,000)	(100.00)
Federal Revenue	255,004	302,728	302,728	0	302,728	302,728	0	18.72
TOTAL FUNDING	$4,609,293	$4,512,023	$4,897,207	$ 385,184	$4,639,799	$5,041,918	$ 402,119	6.25

Program Description: The Student Assistance Program includes interstate student assistance through WICHE, the Western Interstate Commission for Higher Education; WAMI, the Washington, Alaska, Montana, and Idaho Medical Education Program; and the Minnesota Rural Dentistry Program (MRD). It also includes three federally-funded programs, the State Student Incentive Program (SSIG), the Perkins Loan Program (formerly NDSL), and the Paul Douglas Teacher Scholarship Program, as well as the state-funded College Work Study Program.

Legislative Intent: If the total federal allocation of Supplemental Educational Opportunity Grant (SEOG) in fiscal 1990 is less than $891,502, 5.0 percent of the difference between actual collections and the $891,502 will revert to the general fund. If the total federal allocation of Supplemental Educational Opportunity Grant (SEOG) in fiscal 1991 is less than $891,502, 10.0 percent of the difference between actual collections and the $891,502 will revert to the general fund.

There is appropriated for higher education programs general fund of $465,000 in fiscal 1990 and $592,000 in fiscal 1991 to replace education trust fund interest earnings. If education trust fund interest earnings become

available during the biennium, then one dollar of general fund appropriated for higher education programs will revert for each dollar of education trust interest earnings.

Budget: WICHE dues were budgeted as requested by the agency for a 10.3 percent increase from fiscal 1988 to 1990. As shown in Table 1, the total WICHE student assistance budget of $1,664,400 in fiscal 1990 and $1,657,667 in fiscal 1991 will support 83 continuing students and 25 new students in the fields summarized. Due to fewer continuing students in the 1991 biennium, the WICHE budget declines 6.5 percent from fiscal 1988 to fiscal 1990.

Table 1

Interstate Student Assistance Programs - Fiscal 1990 and 1991

Program	Continuing Students	New Students	Cost/Slot	Cost Continuing	Cost New	Total Cost
Fiscal 1990						
WICHE						
Administrative Dues						$ 65,100
Student Assistance:						
Medicine	19	5	$22,800	$ 433,200	$114,000	$ 547,200
Osteopathic Medicine	3	2	10,500	31,500	21,000	52,500
Dentistry*	10	2	11,700	117,000	27,300	144,300
Veterinary Medicine	32	10	18,400	588,800	184,000	772,800
Optometry	12	3	6,400	76,800	19,200	96,000
Occupational Therapy	3	1	4,200	12,600	4,200	16,800
Podiatry	2	1	7,200	14,400	7,200	21,600
Public Health	2	1	4,400	8,800	4,400	13,200
Subtotal	83	25		$1,283,100	$381,300	$1,664,400
Minnesota Dentistry	6	2	$11,700	$ 70,200	$ 23,400	$ 93,600
WAMI Medicine	60	20	$34,298	2,057,872	-0-	2,057,872
Total	149	47		$3,411,172	$404,700	$3,880,972
Fiscal 1991						
WICHE						
Administrative Dues						$ 68,400
Student Assistance:						
Medicine	17	5	$22,800	$ 387,600	$114,000	$ 501,600
Osteopathic Medicine	3	2	10,700	32,100	21,400	53,500
Dentistry**	9	2	11,900	111,067	23,800	134,867
Veterinary Medicine	31	10	19,400	601,400	194,000	795,400
Optometry	13	3	6,500	84,500	19,500	104,000
Occupational Therapy	4	1	4,300	17,200	4,300	21,500
Podiatry	3	1	7,300	21,900	7,300	29,200
Public Health	3	1	4,400	13,200	4,400	17,600
Subtotal	83	25		$1,268,967	$388,700	$1,657,667
Minnesota Dentistry	6	2	$11,900	$ 71,400	$ 23,800	$ 95,200
WAMI Medicine	60	20	$35,871	2,152,280	-0-	2,152,280
Total	149	47		$3,492,647	$412,500	$3,973,547

*There is an additional charge of $3,900 for 1 new accelerated student.
**There is an additional charge of $3,967 for 1 continuing accelerated student.

The WAMI student assistance for 60 Montanans to attend medical school at the University of Washington was approved at $2,057,872 for fiscal 1990 and $2,152,280 for fiscal 1991. The average cost per student, as shown in Table 1, is $34,298 in fiscal 1990 and $35,871 in fiscal 1991.

Minnesota Rural Dentistry includes two new slots each year of the biennium, consistent with policy established by the Forty-ninth Legislature during the 1985 session to maintain a total of four new slots per year between the MRD and the WICHE program. The budget for Minnesota Rural Dentistry is $93,600 in fiscal 1990 and $95,200 in fiscal 1991. The average cost per student is $11,700 in fiscal 1990 and increases to $11,900 in fiscal 1991.

The State Student Incentive Grants Program increases $20,606 to $440,000 each year of the 1991 biennium. This total includes $220,000 of state general fund and is matched dollar-for-dollar with $220,000 of federal funds. Because of the matching requirement, if the federal funds are reduced, any general fund balance would revert.

The Perkins Loan (direct student loan program) is continued with $55,000 general fund to use for match with federal funds. Federal funds, which are awarded directly to colleges and universities throughout the state, are projected to be $550,000.

The Paul Douglas Teacher Scholarship Program increases $37,118 over the fiscal 1988 expended level to $82,728 in each year of the 1991 biennium. This increase results from an increase in the grant award and a fund balance carried forward to the 1991 biennium.

The state Work Study Program increases $115,136 over the 1988 level. This increase results from the addition of $24,863 each year to include the five vocational-technical centers in the program, and $90,273 each year additional funding which corresponds with the increase in tuition.

Program Expansions:

1. Work Study - The legislature expanded the state-funded College Work Study Program to $24,863 each year of the biennium to include the students of the state's five vocational technical centers.

2. SEOG Grant - The committee added state matching funds of $46,921 in fiscal 1990 and $99,056 in fiscal 1991 for the Supplemental Educational Opportunity Grant (SEOG). These funds are awarded to undergraduate students with exceptional financial need. These grants did not require state matching funds in the past, but beginning in fiscal 1990, the state is required to match federal funds with 5.0 percent state funds, in fiscal 1991 a 10.0 percent match is required, followed by 15.0 percent in subsequent years.

3. Revised Budget Work Study - The legislature approved additional work study funding as part of the revised Stephen's/Regent's budget. The legislature added $90,273 in fiscal 1990 and $90,274 in fiscal 1991. This sum corresponds with the increase in tuition that is a part of the revised budget.

Funding: The general fund increases 25.2 percent primarily as a result of increases in state work study, the loss of coal tax interest earnings, and the addition of SEOG matching funds. Coal tax interest earnings from the education

trust which provided funding for WICHE dues and support a portion of the WICHE student assistance program decrease by 100.0 percent. The education trust earnings have been appropriated elsewhere, resulting in no earnings for use by the regents in the 1991 biennium. Federal funds include $220,000 federal match for the State Student Incentive Grant Program and $82,728 for the Paul Douglas Teacher Scholarship Program.

Difference from Executive: The total appropriation is $385,184 higher in fiscal 1990 and $402,119 higher in fiscal 1991 than the executive. The legislature funded five more new WICHE slots than the executive costing $70,000 in fiscal 1990 and $34,400 in 1991. The legislature also funded two new slots in the Minnesota Rural Dentistry that the executive did not, costing $23,400 in fiscal 1990 and $23,800 in fiscal 1991. The executive did not include the dollar-for-dollar general fund match for the State Student Incentive Grants, while the legislature included $220,000 general fund each year of the biennium. The legislature appropriated $24,863 each year of the biennium for work study programs in the vocational-technical centers that the executive did not include. The legislature appropriated state matching funds of $46,921 in fiscal 1990 and $99,056 in fiscal 1991 for the Supplemental Educational Opportunity Grant (SEOG) that the executive did not include. These differences, when added to the replacement of lost education trust interest of $281,000 in fiscal 1990 and $279,000 in fiscal 1991, account for the general fund difference of $666,184 in fiscal 1990 and $681,119 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION — PROGRAM: EDUCATION FOR ECONOMIC SECURITY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	$ 176	$ 1,576	$ 1,576	$0	$ 1,576	$ 1,576	$0	795.45
Non-Operating	115,423	159,985	159,985	0	159,985	159,985	0	38.61
TOTAL EXPENSES	$115,599	$161,561	$161,561	$0	$161,561	$161,561	$0	39.76
FUNDING								
Federal Revenue	$115,599	$161,561	$161,561	$0	$161,561	$161,561	$0	39.76

Program Description: Education for Economic Security is designed to upgrade the teaching skills of educators in the mathematics and science disciplines through Title II of the Education for Economic Security Act. As required by the federal act, the offices of the Commissioner of Higher Education and the Superintendent of Public Instruction have completed a statewide needs assessment on the teaching of mathematics, science, computer learning, and foreign languages in Montana. Competitive proposals designed to respond to the priority needs are submitted annually by the postsecondary institutions in the state and grants are awarded based on the decisions of a review panel.

Budget: There are no FTE or personal services costs for this program. Recommended operating expenses total $1,576 per year for office supplies, postage, travel, and other program costs. The non-operating costs total $159,985 each year for competitive grants to be awarded to vo-techs, community colleges, the six units, and private educational institutions.

Funding: This program is funded entirely with federal funds.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION — PROGRAM: MUS GROUP INSURANCE PROGRAM

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	2.50	2.50	2.50	0.00	2.50	2.50	0.00	0.00
Personal Services	$ 64,165	$ 68,356	$ 72,130	$ 3,774	$ 68,420	$ 74,762	$ 6,342	12.41
Operating Expenses	338,799	308,039	325,249	17,210	307,977	320,184	12,207	(4.00)
Equipment	1,174	0	0	0	0	0	0	(100.00)
Non-Operating	7,618,333	9,100,000	9,900,000	800,000	10,400,000	11,360,000	960,000	29.95
TOTAL EXPENSES	$8,022,471	$9,476,395	$10,297,379	$820,984	$10,776,397	$11,754,946	$978,549	28.36
FUNDING								
Proprietary Revenue	$8,022,471	$9,476,395	$10,297,379	$820,984	$10,776,397	$11,754,946	$978,549	28.36

Program Description: The Board of Regents is responsible for providing university system employees with group benefits pursuant to Sections 2-18-808 and 809, 20-2-114, and Title 20, Chapter 25, MCA. Board of Regent's guidelines for the partially self-insured group insurance program are contained in policy item 51-901-R0696, which states that administrative costs shall not exceed the amount of the premium tax savings that would be incurred under a conventional group plan plus any interest earned on reserves. There is an advisory committee comprised of faculty and staff to oversee and assess this program which is renewed through competitive bids each biennium.

Budget: Personal services increase 12.4 percent from fiscal 1988 to fiscal 1990 due to the elimination of vacancy savings in fiscal 1990 and the addition of pay plan amounting to $2,379 in fiscal 1990 and $4,946 in fiscal 1991.

Operating expenses decrease 4.0 percent from fiscal 1988 due to reduced expenditures for the Wellness Program. Wellness Program funds are paid by employees as part of the premiums and returned to the campuses for health promotion and risk reduction activities. Wellness Program funds total $318,547 in fiscal 1990 and $313,543 in fiscal 1991, down from $326,336 expended in fiscal 1988 and $340,000 budgeted in fiscal 1989.

Non-operating costs consist of claims and insurance premiums which were appropriated at the agency requested level. Minimum premiums are $1,500,000 in fiscal 1990 and $1,700,000 in fiscal 1991 for an increase of 34.5 percent over the 1989 biennium. Under a minimum premium arrangement, the university system assumes the liability for claims up to a pre-established level. If actual claims exceed the pre-established level, the insurance company (United of Omaha) to which the minimum premiums are paid is liable for the excess claims. Claims are requested at $8,400,000 in fiscal 1990 and $9,660,000 in fiscal 1991.

Due to the increases for minimum premiums and claims payments in the 1991 biennium, the university group insurance rates will increase from $115 to $130 per month for the state contribution. The employee monthly contribution for the 1991 biennium will be $0 for a single employee, $38 for an employee plus one dependent, and $78 for a family. Based on agency projections, the program will be in a deficit reserve position in fiscal 1990 of $3,031,790 and have a reserve deficit of $6,582,000 by the end of fiscal 1991.

Funding: This program is funded through employee and employer premiums and interest earnings on invested fund balances.

Difference from Executive: The legislature appropriated personal services with no vacancy savings applied compared with a two percent rate in the executive which accounts for a difference of $1,395 in fiscal 1990 and $1,396 in fiscal 1991. The remainder of the difference in personal services results from the appropriation of pay plan in House Bill 786 of $2,379 in fiscal 1990 and $4,946 in fiscal 1991.

Operating costs as appropriated are $17,210 higher in fiscal 1990 and $12,207 higher in fiscal 1991 than the executive. The legislature included these additional funds for the university system wellness program.

The legislature appropriated $800,000 more in fiscal 1990 and $960,000 more in fiscal 1991 to cover increases in the university system group insurance plan. The executive did not include these increases.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION — PROGRAM: TALENT SEARCH

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	6.00	6.15	7.15	1.00	6.15	6.15	0.00	1.15
Personal Services	$130,368	$123,361	$159,726	$36,365	$123,428	$149,761	$26,333	22.52
Operating Expenses	38,737	43,495	59,864	16,369	45,702	44,058	(1,644)	54.54
TOTAL EXPENSES	$169,105	$166,856	$219,590	$52,734	$169,130	$193,819	$24,689	29.85
FUNDING								
Federal Revenue	$169,105	$166,856	$219,590	$52,734	$169,130	$193,819	$24,689	29.85

Program Description: Talent Search is a federal program which provides career and financial aid counseling to students who are low income, physically handicapped, or culturally disadvantaged. There are six program coordinators located around the state who provide services one-to-one and in small groups to prevent high school dropout and to assist in postsecondary education planning, enrollment, and adjustment to higher education studies and campus life.

Budget: The 1.15 FTE increase is to adjust a 0.68 FTE to 0.83 in line with the other coordinator positions and to add 1.00 FTE for the SHEEO grant coordinator. Overall personal services increase 22.5 percent due to the increased FTE, vacancy savings achieved in fiscal 1988, equity adjustments for the coordinator positions under regent's contracts, and pay plan increases.

Operating expenses increase 54.5 percent primarily as a result of the $16,300 in State Higher Education Executive Officers (SHEEO) grant operating funds for fiscal 1990.

Program Expansion:

1. SHEEO Grant - The legislature approved the addition of $31,300 in grant funds from the State Higher Education Executive Officers (SHEEO) for fiscal 1990. The purpose of the grant is to evaluate the process to improve the success of minorities in achieving the baccalaureate degree. The grant is for a fourteen month period which actually begins in fiscal 1989. This approval by the legislature extends the spending authority for the grant into fiscal 1990.

Funding: The funding for Talent Search is entirely federal funding while the SHEEO grant is from private sources.

Difference from Executive: The legislature appropriated $15,000 in fiscal 1990 to fund a 1.00 FTE coordinator position for the SHEEO grant that was not included in the executive. The remaining differences in personal services result from three factors: 1) the legislature appropriated $14,404 to fund equity adjustments for the coordinator positions that were not included in the executive; 2) the executive applied a two percent vacancy savings rate while the legislature applied no vacancy savings, costing an additional $2,518 in fiscal 1990 and $2,519 in fiscal 1991; and 3) the legislature appropriated pay plan of $4,451 in fiscal 1990 and $9,410 in fiscal 1991 that was not included in the executive.

Operating costs are $16,369 higher than the executive in fiscal 1990 and $1,644 lower than the executive in fiscal 1991. The legislature appropriated $16,300 in fiscal 1990 for operating costs associated with the SHEEO grant that the executive did not include. The executive included $1,713 for insurance costs in fiscal 1991 that the legislature did not appropriate, while the legislature did include $69 in fiscal 1991 for job candidate expense that the executive did not include.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION — PROGRAM: VO-TECH ADMINISTRATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	5.00	5.00	5.00	0.00	5.00	5.00	0.00	0.00
Personal Services	$ 144,168	$ 183,371	$ 192,552	$ 9,181	$ 183,632	$ 198,668	$ 15,036	33.56
Operating Expenses	25,510	28,635	33,687	5,052	28,761	33,894	5,133	32.05
Equipment	8,861	6,579	6,579	0	0	0	0	(25.75)
Non-Operating	2,158,861	4,056,310	4,584,497	528,187	4,059,363	4,587,550	528,187	112.36
TOTAL EXPENSES	$2,337,400	$4,274,895	$4,817,315	$542,420	$4,271,756	$4,820,112	$548,356	106.10
FUNDING								
General Fund	$ 70,459	$ 74,895	$ 83,689	$ 8,794	$ 71,756	$ 80,637	$ 8,881	18.78
Federal Revenue	2,266,941	4,200,000	4,733,626	533,626	4,200,000	4,739,475	539,475	108.81
TOTAL FUNDING	$2,337,400	$4,274,895	$4,817,315	$542,420	$4,271,756	$4,820,112	$548,356	106.10

Program Description: The Board of Regents is the sole state agency for federal vocational education requirements. Therefore, all federal vocational education funds are received by the Board of Regents through the Deputy Commissioner of Vo-Tech Center Education for distribution to: 1) the Office of Public Instruction through the transfer process for distribution to secondary education grantees; and 2) postsecondary grantees through the request-for-proposal (RFP) process.

Governance of the vocational-technical centers was transferred from the Office of Public Instruction to the Board of Regents. A Deputy Commissioner of Vocational-Technical Center Education was appointed in the commissioner's office. The deputy commissioner is the chief administrative officer for the Board of Regents for its vocational-technical center rules, policies, and staff.

Budget: Personal services increase 33.6 percent over fiscal 1988 due to vacancy savings of 16.7 percent achieved in fiscal 1988, the first year of this program, and no vacancy savings applied to the 1991 biennium budget. The legislature also appropriated pay plan of $5,439 in fiscal 1990 and $11,288 in fiscal 1991.

Operating expenses increase 32.1 percent over fiscal 1988 due to savings in fiscal 1988 which does not reflect a full year of operation. Fiscal 1988 was the first year of the program in the commissioner's office.

Non-operating costs increase 112.4 percent over fiscal 1988 because fiscal 1988 only reflects new federal funds received during the start-up of the program. The federal fund balances for fiscal 1988 remained in the Office of Public Instruction budget. The 1991 biennium figures reflect expected federal revenue plus fund balances for granting to vocational programs throughout the state.

Program Expansion:

1. Carl Perkins Funds - The legislature added $528,187 of Carl Perkins funds each year based on revised projections of federal revenue provided by the Commissioner of Higher Education. The additional funds will be distributed to vocational programs in the state on a competitive basis.

Funding: Funding for this program includes Carl Perkins Vocational Education grants. Of the total $4.7 million per year, approximately $1.9 million is for postsecondary vo-tech grants and $2.7 million is for secondary vocational education transfers to the Office of Public Instruction for distribution. The remaining $144,000 per year supports administrative costs. The general fund in this program supports administrative costs.

Difference from Executive: The legislature appropriated pay plan of $5,439 in fiscal 1990 and $11,288 in fiscal 1991 that was not included in the executive and applied no vacancy savings which cost $3,742 in fiscal 1990 and $3,748 in fiscal 1991 compared with the two percent rate in the executive.

The legislature appropriated $2,149 more for printing and $2,614 more for other expenses than the executive each year of the biennium.

The legislature appropriated an additional $528,187 of Carl Perkins funds each year for distribution to the vocational-technical centers that was not included in the executive.

The legislature appropriated approximately $8,800 more general fund each year than was included in the executive. The difference in federal funds is made up of the $528,287 additional Carl Perkins each year of the biennium and the pay plan of $5,439 in fiscal 1990 and $11,288 in fiscal 1991.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION — PROGRAM: GUARANTEED STUDENT LOAN

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	5.95	32.95	32.95	0.00	32.95	32.95	0.00	27.00
Personal Services	$ 168,980	$ 695,435	$ 730,179	$34,744	$ 696,007	$ 761,516	$65,509	332.11
Operating Expenses	905,551	807,038	815,093	$8,055	639,830	647,808	7,978	(9.99)
Equipment	54,912	57,087	57,087	$0	25,087	25,087	0	3.96
TOTAL EXPENSES	$1,129,443	$1,559,560	$1,602,359	$42,799	$1,360,924	$1,434,411	$73,487	41.87
FUNDING								
Federal Revenue	$1,129,443	$1,559,560	$1,602,359	$42,799	$1,360,924	$1,434,411	$73,487	41.87

Program Description: The Guaranteed Student Loan Program is a federal student aid program which was established in Montana by the 1979 legislature for the purpose of allowing eligible students to receive loans from participating lender institutions. The federal program guarantees these loans and makes administrative cost reimbursements to the program. During fiscal year 1988, the Montana Guaranteed Student Loan Program began the process of placing the guaranteed student loan processing function within the Commissioner of Higher Education's office as approved by the Board of Regents. Prior to fiscal 1988, United Student Aid Funds (USA Funds) handled all processing as a contracted service. As of April 1, 1988, all guaranteed student loans are processed in Helena through a remote telecommunications link with USA Funds, Inc. in Indianapolis, which is Phase I of the implementation of the student loan processing service. Phases II and III will be implemented during fiscal year 1989. The expansion was implemented by budget amendment in the 1989 biennium. The legislature approved a budget modification to complete implementation of the program for the 1991 biennium.

Budget: There is a 27.00 FTE increase approved to implement the loan processing in Helena. Overall personal services increase 332.1 percent over the 1988 expended level after adding the 27.00 FTE and the appropriated pay plan of $28,480 in fiscal 1990 and $59,245 in fiscal 1991.

Operating expenses decrease 10.0 percent from fiscal 1988 to fiscal 1990 and another 20.5 percent from fiscal 1990 to fiscal 1991. This decrease represents the phase-down of contracted services with USA Funds Inc. as the program takes over all loan processing locally. Equipment increases 4.0 percent in fiscal 1990 and decreases 56.0 percent in fiscal 1991 as the program completes its equipment purchases for the conversion.

Program Expansion:

1. Student Loan Processing - The legislature approved the requested student loan processing modification adding 27.00 FTE and $860,238 in fiscal 1990 and $831,566 in fiscal 1991.

Funding: This program is funded with a combination of program fees and federal administrative allowance payments from the United States Department of Education under the Higher Education Act of 1965 as amended.

Difference from Executive: The legislature appropriated personal services that are $34,744 more in fiscal 1990 and $65,509 more in fiscal 1991 than the executive. These differences result because: 1) the legislature did not apply vacancy savings which cost $6,264 more each year than the executive; and 2) the legislature appropriated pay plan of $28,480 in fiscal 1990 and $59,245 in fiscal 1991 that was not included in the executive.

The legislature appropriated approximately $8,000 more each year of the biennium for telephone add/move/change costs than the executive.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION PROGRAM: BOARD OF REGENTS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	$ 13,400	$13,400	$13,400	$0	$13,400	$13,400	$0	0.00
Operating Expenses	19,547	19,417	19,417	0	19,468	19,468	0	(0.67)
Non-Operating	163,000	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$195,947	$32,817	$32,817	$0	$32,868	$32,868	$0	(83.25)
FUNDING								
General Fund	$195,947	$32,817	$32,817	$0	$32,868	$32,868	$0	(83.25)

Program Description: The Board of Regents consists of seven members who are responsible for supervision, coordination, management, and control of Montana's university system and three community colleges, pursuant to the 1972 Montana Constitution, Article X, Section 9, Subsection (2).

Legislative Intent: It is the intent of the legislature that the Board of Regents become administratively attached to the Office of the Commissioner of Higher Education to facilitate internal management functions.

Budget: Personal services costs represent per diem for board members. The approved budget level allows for 268 meeting days per year at $50 per day or a total of $13,400 per year. This averages just over three meeting days per month per member. Operating expenses are at approximately the same level as was expended in fiscal 1988. Fiscal 1988 non-operating costs consist of the Master's of Business Administration Program funds that were appropriated to the Board of Regents by the Fiftieth Legislature which are included in the University of Montana budget in the 1991 biennium.

Funding: This program is entirely funded with general fund.

LEGISLATIVE ACTION

AGENCY: COMMISSIONER OF HIGHER EDUCATION

PROGRAM: VO-TECH BOND PAYMENTS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-Operating	$792,778	$730,905	$730,905	$0	$717,068	$717,068	$0	(7.80)
TOTAL EXPENSES	$792,778	$730,905	$730,905	$0	$717,068	$717,068	$0	(7.80)
FUNDING								
General Fund	$ 0	$730,905	$730,905	$0	$717,068	$717,068	$0	0.00
Federal Revenue	792,778	0	0	0	0	0	0	(100.00)
TOTAL FUNDING	$792,778	$730,905	$730,905	$0	$717,068	$717,068	$0	(7.80)

Program Description: The Board of Regents was authorized in House Bill 39 to lease or purchase any building, land, and/or property at a vocational-technical center from the respective school districts. The Board of Regent's acquired the facilities in Helena and Missoula for $10 each. The Board of Regents has entered into contracts with the school districts for facilities at Billings, Butte, and Great Falls to retire the districts' bonded indebtedness. The Fiftieth Legislature appropriated $1,454,690 from the education trust for the 1989 biennium to fund the estimated debt retirement for the biennium.

Legislative Intent:

The amounts appropriated for vocational-technical center bond payments may not be expended unless the Board of Regents obtains a contract from the school district which insures that the State of Montana receives deed to the vocational-technical center facility for the cost of retiring the outstanding bond.

Budget: The legislature approved the bond payment schedules which provide total payments of $730,905 in fiscal 1990 and $717,068 in fiscal 1991. Table 2 shows the balance of principal, interest, and total debt by center, as well as the years remaining and the biennial payments by center.

Table 2
Vocational-Technical Centers Bonded Indebtedness

	Butte	Billings	Great Falls	Total
Years Remaining	9	10	5	----
Principal Balance	$2,720,000	$ 950,000	$500,000	$4,170,000
Interest Balance	1,491,290	197,648	51,550	1,740,488
Balance of Debt	$4,211,290	$1,147,648	$551,550	$5,910,488
1991 Biennium Payments	$ 939,945	$ 272,128	$235,900	$1,447,973

The local school districts have substituted the lease payments made by the Board of Regents as the revenue source for the debt retirement fund, thus reducing the amount of millage required.

Funding: The vo-tech bond payments are funded with general fund.

LEGISLATIVE ACTION

AGENCY: FIRE SERVICES TRAINING

PROGRAM: FIRE SERVICES TRAINING SCHOOL

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	5.00	5.00	5.00	0.00	5.00	5.00	0.00	0.00
Personal Services	$156,549	$158,691	$166,771	$$8,080	$158,779	$172,084	$13,305	6.53
Operating Expenses	58,645	60,182	92,038	31,856	57,903	70,759	12,856	56.94
Equipment	456	0	17,184	17,184	3,000	3,184	184	3,668.42
TOTAL EXPENSES	$215,650	$218,873	$275,993	$57,120	$219,682	$246,027	$26,345	27.98
FUNDING								
General Fund	$196,814	$198,473	$224,221	$25,748	$199,282	$217,094	$17,812	13.93
Federal Revenue	8,501	0	0	0	0	0	0	(100.00)
Proprietary Fund	10,335	20,400	51,772	31,372	20,400	28,933	8,533	400.94
TOTAL FUNDING	$215,650	$218,873	$275,993	$57,120	$219,682	$246,027	$26,345	27.98

Program: The Fire Services Training School is located in the Great Falls Vocational Technical Center. The purpose of the school is to provide support and training for the state's fire services personnel. The school also provides some public education programs to promote fire safety and prevention.

Legislative Intent:

The Fire Services Training School must be provided office, classroom, and storage space in the Great Falls Vocational-Technical Center at no charge.

Budget: The budget approved by the legislature provides a 28 percent increase from fiscal 1988 to fiscal 1990. Personal services increase because: 1) the agency realized a vacancy savings of 3.4 percent, or $5,400, in fiscal 1988 while no vacancy savings is applied in the 1991 biennium; and 2) $4,849 in fiscal 1990 and $10,072 in fiscal 1991 have been added for the pay plan increases. Operating expenses increase 56.9 percent due to the net of: 1) a decrease of $6,500 for a discontinued federal training grant; 2) a reduction of approximately $4,300 in contract services and supplies which were purchased with personal services dollars saved due to vacancy savings during fiscal 1988; 3) increases of $804 for computer processing; 4) increases of $527 for insurance; and 5) program expansions of $42,800 discussed below. The equipment budget will provide a new vehicle in fiscal 1990, some computer equipment, and one set of protective clothing for staff.

Program Expansions: The legislature approved five program expansions as follows:

1. Vehicle - $14,000 of general fund for a new vehicle in fiscal 1990 to replace a vehicle with over 100,000 miles.

2. Office Lease - $4,200 each year from general fund and $4,200 each year from resource center proprietary funds for leasing new office space in the Great Falls Fire Department Training Center. This will allow additional space to be used for resource center materials. The increase in these proprietary funds results from increases in annual fees charged each fire department for use of the resource materials.

3. Instructor Compensation - $5,400 each year from proprietary funds for contract services for certification evaluator compensation. These evaluators will be rating practical examinations which were not previously required for certification but which are now required to keep the training program nationally accredited. They will be compensated from certification fees paid by firefighters.

4. Training Seminars - $9,000 each year from proprietary funds for special training seminars. These seminars, special classes conducted by guest instructors, are offered by the Fire Services Training School. In the 1989 biennium, the accounting was done by the State Fire Chiefs' Association and now the accounting will be done at the state level in the 1991 biennium. The seminars are funded with course registration fees.

5. Training Delivery - $20,000 from proprietary funds as a biennial appropriation for training delivery. This training is a Fire Grounds Operations class offered by the Fire Services Training School instructors. These seminars were previously provided by volunteer instructors; but beginning in the 1991 biennium, the instructors will be compensated for their time from course registration fees.

Funding: The general fund provides 81 percent of the funding for the Fire Services Training School in fiscal 1990. The remaining 19 percent, or $51,772 in fiscal 1990, is proprietary funds from the sale of goods and services.

Proprietary funds are received from five sources. First, fire departments are charged annual fees for the use of the resource center. The fees are used to purchase training materials of $12,211 in fiscal 1990 and $9,372 in fiscal 1991. Increases in these fees in the 1991 biennium will be used to pay $4,200 per year for additional office space. Second, course materials are available for sale through the resource center. These funds, $961 per year, are used to replace the inventory. No profit is made on these sales. Third, $5,400 per year will come from firefighters' certification examination fees. These fees will be used to pay examination evaluators for rating firefighters taking a new practical examination. Fourth, $9,000 per year from seminar registration fees will be used to pay guest instructors for special seminars. These seminars were offered in the previous biennium, but the accounting was done by the State Fire Chiefs Association. This change will allow the accounting to be done at the state level. Fifth, $20,000 for the biennium will come from fees charged for Fire Grounds Operations classes. These fees will be used to pay instructors who had previously volunteered their time.

A federal Fire Service Training School grant available in fiscal 1988 is not available in the 1991 biennium.

Difference From Executive: The appropriation for personal services exceeds the executive budget because: 1) vacancy savings was eliminated, resulting in an increase of $3,200 per year; and 2) $4,849 in fiscal 1990 and $10,072 in fiscal 1991 were added for the pay plan increases. Operating expense appropriations exceed the executive budget due to the net of: 1) reductions of $2,500 in supplies and repairs per year; 2) increases of $14,500 per year for instructor compensation and training seminars; and 3) the addition of a $20,000 biennial appropriation for training delivery. The appropriation for equipment exceeds the executive budget because: 1) the executive budget included no equipment appropriation for fiscal 1990, while the legislature approved the three-year expenditure average of $3,184 for protective clothing; and 2) the legislature approved an agency request for $14,000 for a new vehicle which was not included in the executive budget.

LEGISLATIVE ACTION

AGENCY: COMMUNITY COLLEGES

PROGRAM: COMMUNITY COLLEGE ASSISTANCE

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
Student FTE	1730	1733	1733	0	1733	1733	0	3.00
Dawson	$ 699,792	$ 722,777	$ 722,777	$0	$ 714,317	$ 714,317	$0	3.28
Flathead	1,622,024	1,718,046	1,718,046	0	1,709,586	1,709,586	0	5.92
Miles	724,926	766,848	766,848	0	758,388	758,388	0	5.78
TOTAL EXPENSES	$3,046,742	$3,207,671	$3,207,671	$0	$3,182,291	$3,182,291	$0	5.28
FUNDING								
General Fund	$3,046,742	$3,207,671	$3,207,671	$0	$3,182,291	$3,182,291	$0	5.28

Program Description: The state's three community colleges, Dawson in Glendive, Flathead Valley in Kalispell, and Miles in Miles City, are organized in accordance with the provisions of Title 20, Chapter 15, MCA. Each community college district has an elected board of trustees accountable to and supervised by the Board of Regents.

Legislative Intent: The legislature approved the following language, which is consistent with that adopted by the legislature during the last regular session:

> The above appropriation provides 47 percent of the total current unrestricted budgets for the community colleges, which budgets shall be approved by the Board of Regents.
>
> The general fund appropriation for each community college includes 47 percent of the total audit cost. The remaining 53 percent of these costs are to be paid from funds other than those appropriated in items 1 through 3. The total audit costs may not exceed $18,000 for each unit during the biennium.

Budget: The community college formula determines both the unrestricted budget and the general fund appropriation for the community colleges. The variables of the community college formula are: 1) student FTE; 2) cost factor per student; and 3) percentage of state support for the unrestricted budget. Table 1 shows the student enrollment calculations and the legislature's adjustment. The University Study Committee, the Board of Regents, and the university units agreed that student enrollment for the formula should be based on the average of the previous two year's actual enrollment. The legislature adjusted Miles Community College enrollment by 10.00 FTE as a transition adjustment.

Table 1
Community College Student Enrollment
1991 Biennium

College	Fiscal 1987 FTE	Fiscal 1988 FTE	2-Year Average	Legislature Adjustment	Adjusted FTE
Dawson	408	369	389	0	389
Flathead	906	956	931	0	931
Miles	401	405	403	10	413
Total	1,715	1,730	1,723	10	1,733

The cost factor per student was increased to $3,907 for each year of the biennium based on the revised "Stephen's/ Regent's" budget request. The commissioner's office revised the original budget requests for all postsecondary agencies based on Governor Stephen's revised budget proposal which included an additional $13.0 million of funding for higher education. Table 2 shows the formula calculation for the community colleges based on the revised budget request. In addition to increasing the per student cost factor the revised request reflects 47 percent state support compared with 48 percent state support in the original budget request. Audit costs are included at $18,000 per community college with general fund supporting 47 percent or $8,460 for each college for a total of $25,380.

Table 2
Calculation of the Community College Unrestricted Budget
1991 Biennium

	Fiscal 1990								Fiscal 1991							
College	FTE		Cost Factor		Total Unrestricted Budget		% State Support	General Fund	FTE		Cost Factor		Total Unrestricted Budget		% Support	General Fund
Dawson	389	x	$3,907	=	$1,519,823	x	47	$ 714,317	389	x	$3,907	=	$1,519,823	x	47	$ 714,317
Flathead	931	x	3,907	=	3,637,417	x	47	1,709,586	931	x	3,907	=	3,637,417	x	47	1,709,586
Miles	413	x	3,907	=	1,613,591	x	47	758,388	413	x	3,907	=	1,613,591	x	47	758,388
Audit	0		0		54,000	x	47	25,380	0		0		0	x	47	0
Total	1,733				$6,824,831			$3,207,671	1,733				$6,770,831			$3,182,291

Program Expansion:

1. Cost Factor Increase. The "Stephen's/Regent's" revised budget as approved by the legislative increases the per student cost factor by $265 each year of the biennium. This increase is mitigated somewhat by applying a lower percent of state support. The total increase is $301,422 of general fund over the biennium. This amount is part of the $13.0 million additional higher education funding proposed by Governor Stephens.

Funding: The community college assistance is funded with general fund which increases 5.3 percent from fiscal 1988 to fiscal 1990.

Difference From Executive: There is no difference from the executive since the legislature appropriated the "Stephen's/Regent's" budget.

LEGISLATIVE ACTION

AGENCY: MONTANA UNIVERSITY SYSTEM -- VOCATIONAL TECHNICAL CENTERS

PROGRAM: VO-TECH SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Difference	Fiscal 1990 Executive	Fiscal 1990 Legislature	Difference	FY 88-90 % Change
FTE Enrollmen	2,393	2,336	2,336	0	2,336	2,336	0	(57)
Billings	$1,682,130	$ 1,845,772	$ 1,887,896	$ 42,124	$ 1,823,358	$ 1,907,607	$ 84,249	12.23
Butte	1,379,119	1,682,279	1,719,056	36,777	1,659,865	1,737,972	78,107	24.65
Great Falls	1,442,531	1,997,305	2,045,442	48,137	1,974,891	2,071,165	96,274	41.80
Helena	2,098,635	2,484,920	2,544,920	60,000	2,462,506	2,567,896	105,390	21.27
Missoula	1,932,877	2,649,987	2,710,797	60,810	2,627,573	2,749,705	122,132	40.25
Total Expenses	$8,535,292	$10,660,263	$10,908,111	$ 247,848	$10,548,193	$11,034,345	$ 486,152	27.80
FUNDING								
General Fund	$4,925,044	$ 6,986,719	$ 7,375,567	$ 388,848	$ 6,824,649	$ 7,492,801	$ 668,152	49.76
Mandatory Millage	849,500	787,000	787,000	0	796,000	796,000	0	(7.36)
Additional Millage	0	0	0	0	0	0	0	0.00
Tuition And Fees	1,663,171	1,938,070	1,938,070	0	1,938,070	1,938,070	0	16.53
Ed. Trust Interest	156,438	141,000	0	(141,000)	182,000	0	(182,000)	(100.00)
Federal Funds	761,976	807,474	807,474	0	807,474	807,474	0	5.97
Other	179,163	0	0	0	0	0	0	(100.00)
Total Funding	$8,535,292	$10,660,263	$10,908,111	$ 247,848	$10,548,193	$11,034,345	$ 486,152	27.80

Program Description: Montana's five postsecondary vocational-technical centers are located in Billings, Butte, Great Falls, Helena, and Missoula and serve approximately 2,400 students annually. House Bill 39 from the 1987 legislature transferred governance of the vocational-technical centers from the superintendent of public instruction to the Board of Regents of higher education. House Bill 39 also essentially converted the vocational-technical centers from local school district responsibility to the state. This conversion is reflected in the budgeting for the 1991 biennium. Employees must be reclassified under the state pay and classification system, school district services to the centers are replaced, and local additional mill levy support is replaced.

Legislative Intent:

There is appropriated for higher education programs general fund of $465,000 in fiscal 1990 and $592,000 in fiscal 1991 to replace education trust fund interest earnings. If education trust fund interest earnings become available during the biennium, then one dollar of general fund appropriated for higher education programs will revert for each dollar of education trust interest earnings.

Budget: The vo-tech centers' budgets in the past were estimated with a formula which was implemented in the 1983 session. Since the formula did not estimate the center's entire budget, but just the current unrestricted portion which did not include operations funded by the school district or the local voted mill levy, the formula is no longer functional. In response to Governor Stephen's budget proposal to add $13 million to postsecondary education budgets and address the additional program requirements due to the transfer, the board of regents presented a revised "Stephen's/Regent's" budget for the five vo-tech centers.

The approved budget increases 27.8 percent from fiscal 1988 to fiscal 1990. The individual center increases vary from 12.2 percent for Billings to 41.8 percent for Great Falls. Table 1 summarizes the adjustments to the fiscal 1988 base to arrive at the legislative approved budget as proposed by the Board of Regents.

Program Expansions: The adjustments in Table 1 are discussed in the narrative that follows.

Additional Mill Levy: In the 1989 biennium, additional voted mill levies were appropriated at each of the five centers. Section 20-16-297, MCA, allows the local school district trustees to provide additional vocational-technical center funding through voted mill levies for the centers for fiscal 1988 and 1989. No provision is made to continue the voted levy beyond fiscal 1989. In fiscal 1988, as Table 1 shows, an additional $1,600,950 was utilized by the centers from the school district voted levy to supplement the general operating budgets of the centers. The legislature in the past did not consider these funds in the development of the budget; however, each center has relied on this supplemental source of income for general operations. The appropriated budget includes the operations supported by the voted levy in the past using general fund and student tuition as funding.

Indirect School District Support: The school districts in the past have provided various services in support of the vo-tech centers. These services include accounting, personnel, purchasing, custodial, building and grounds maintenance, student financial aid services, and others. The school districts will no longer provide these services effective July 1, 1989. Table 1 shows the amount of indirect district support received by each center that is funded with general fund in the approved budget. The amount of support ranges from a low of $30,205 or 1.5 percent of total budget for Missoula to a high of $131,369 or 9.1 percent of total budget for Great Falls. The total adjustment to the base budget is $387,808 each year of the biennium.

Table 1
VOCATIONAL TECHNICAL CENTERS
Revised Budget Base

Fiscal 1990 CENTER	FY 1988 Actual	Additional Mill Levy	Indirect District Support	Convert Employee Classification	Audit Fee Increase	FY 1988 Base Adjustment	Pay Plan Adjustment	Total Program Expansion	FY 1990 Budget
				Fiscal 1990 Adjustments					
Billings	$1,682,130	$ 83,805	$ 70,585	$ 6,171	$ 3,081	$ 0	$ 42,124	$ 205,766	$ 1,887,896
Butte	1,379,119	223,049	72,506	4,524	3,081	0	36,777	339,937	1,719,056
Great Falls	1,442,531	316,985	131,369	21,441	3,081	81,898	48,137	602,911	2,045,442
Helena	2,098,635	297,541	83,143	1,446	4,155	0	60,000	446,285	2,544,920
Missoula	1,932,877	679,570	30,205	3,180	4,155	0	60,810	777,920	2,710,797
Total Expenses	$8,535,292	$1,600,950	$387,808	$36,762	$ 17,553	$ 81,898	$247,848	$2,372,819	$10,908,111
FUNDING									
General Fund	$4,925,044	$1,407,949	$387,808	$36,762	$ 17,553	$ 352,603	$247,848	$2,450,523	$ 7,375,567
Mandatory Millage	849,500	0	0	0	0	(62,500)	0	(62,500)	787,000
Additional Millage	0	0	0	0	0	0	0	0	0
Tuition And Fees	1,663,171	193,001	0	0	0	81,898	0	274,899	1,938,070
Ed. Trust Interest	156,438	0	0	0	0	(156,438)	0	(156,438)	0
Federal Funds	761,976	0	0	0	0	45,498	0	45,498	807,474
Other	179,163	0	0	0	0	(179,163)	0	(179,163)	0
Total Funding	$8,535,292	$1,600,950	$387,808	$36,762	$ 17,553	$ 81,898	$247,848	$2,372,819	$10,908,111

Fiscal 1991									FY 1991 Budget
				Fiscal 1991 Adjustments					
Billings	$1,682,130	$ 83,805	$ 70,585	$ 6,171	$(19,333)	$ 0	$ 84,249	$ 225,477	$ 1,907,607
Butte	1,379,119	223,049	72,506	4,524	(19,333)	0	78,107	358,853	1,737,972
Great Falls	1,442,531	316,985	131,369	21,441	(19,333)	81,898	96,274	628,634	2,071,165
Helena	2,098,635	297,541	83,143	1,446	(18,259)	0	105,390	469,261	2,567,896
Missoula	1,932,877	679,570	30,205	3,180	(18,259)	0	122,132	816,828	2,749,705
Total Expenses	$8,535,292	$1,600,950	$387,808	$36,762	$(94,517)	$ 81,898	$486,152	$2,499,053	$11,034,345
FUNDING									
General Fund	$4,925,044	$1,407,949	$387,808	$36,762	$(94,517)	$ 343,603	$486,152	$2,567,757	$ 7,492,801
Mandatory Millage	849,500	0	0	0	0	(53,500)	0	(53,500)	796,000
Additional Millage	0	0	0	0	0	0	0	0	0
Tuition And Fees	1,663,171	193,001	0	0	0	81,898	0	274,899	1,938,070
Ed. Trust Interest	156,438	0	0	0	0	(156,438)	0	(156,438)	0
Federal Funds	761,976	0	0	0	0	45,498	0	45,498	807,474
Other	179,163	0	0	0	0	(179,163)	0	(179,163)	0
Total Funding	$8,535,292	$1,600,950	$387,808	$36,762	$(94,517)	$ 81,898	$486,152	$2,499,053	$11,034,345

Employee Classification Conversion: The employees of the vo-tech centers will become state employees effective July 1, 1989. Based on estimates from the Department of Administration the legislature approved a biennial appropriation for $73,524 to fund the conversion of the vo-tech employees to the state pay and classification system. Table 1 includes the estimates for each center.

Audit Fee Increase: The audit fees from appropriated funds for the 1991 biennium are $22,414 for each center compared with $19,333 for Billings, Butte, and Great Falls and $18,259 for Helena and Missoula in the 1989 biennium. The increases are $3,081 and $4,155 respectively. Ten percent of the audit fees, $2,490 per center, are funded from non-appropriated sources.

Base Adjustments: The Great Falls Vo-tech Center collected excess tuition revenue based on increased enrollment in fiscal 1988 for which they are granted a base adjustment in the approved budget. The increase in the base is $81,898 and is funded with tuition. Funding adjustments for lower estimated mandatory mill levy, education trust earnings, and other revenue and higher estimated federal funds are included in the base adjustments. The mandatory mill levy is estimated to be $62,500 less in fiscal 1990 than in fiscal 1988 and $53,500 lower in fiscal 1991. Education trust interest earnings are no longer available; therefore, general fund increases $156,438 each year of the 1991 biennium. Federal Carl Perkins funds increase $45,498 above the fiscal 1988 level as more funds are available from the federal government. Other revenue which consists of miscellaneous receipts from school districts and indirect cost recoveries totaling $179,163 are not expected during the 1991 biennium.

Pay Plan: House Bill 786 appropriates $247,848 in fiscal 1990 and $486,152 in fiscal 1991 from the general fund to provide vocational-technical center employees with an average 2.5 percent salary increase similar to all other state employees.

Funding: The vocational-technical centers are funded from the general fund, tuition, county millage, interest from the education trust, and federal vo-ed funds.

General Fund: The general fund increases 49.8 percent from fiscal 1988 to fiscal 1990. Most of this increase results from replacing the local voted mill levy, the indirect school district support, and the coal tax earnings from the education trust.

Tuition: Tuition, which is set by the Board of Regents, increases 16.5 percent from fiscal 1988 to fiscal 1990. Tuition revenue is approximately 18 percent of the total revenue of the centers in the 1991 biennium compared with 16.4 percent in the 1989 biennium. Tuition totals $1,938,070 each year of the 1991 biennium.

County Millage: Section 20-7-324, MCA, requires the county commissioners in each county in which a vo-tech center is located to levy one and one-half mills for the support and maintenance of the center located within that county. Decreases in property taxable valuation cause a millage decline of 7.4 percent from fiscal 1988 to fiscal 1990.

Education Trust Interest: Section 90-6-211, MCA, authorizes the use of 10 percent of the interest from the education trust, which is funded by the coal tax, for operating costs incurred by the postsecondary vo-tech centers and the adult basic education programs. Interest earnings from the education trust to support vo-techs were appropriated elsewhere and, therefore, are no longer available to fund vo-tech operating costs due to House Bill 619, which appropriates the education trust principal to education.

Federal Vocational-Education Funds: Federal vocational-education funds are available to Montana through the Carl D. Perkins Vocational Education Act (P.L. 98-524). Vo-tech centers must submit applications to receive available funds. Federal vo-ed funds increase 6 percent from fiscal 1988 to fiscal 1990. The estimated funds to be utilized by the centers each year of the 1991 biennium are $807,474.

Difference from Executive: The only difference from the executive (Stephen's/Regent's) budget is the pay plan of $734,000 over the 1991 biennium and the elimination of education trust interest of $141,000 in fiscal 1990 and $182,000 in fiscal 1991 which is replaced with general fund.

Personal Services Line Item: Table 2 is a summary of the personal services line-itemed in the vocational-technical center budgets for each year of the 1991 biennium.

Table 2
Vo-Tech Center Personal Services Line-Item

	Billings	Butte	Great Falls	Helena	Missoula	Total
Fiscal 1990						
Instruction	$ 865,946	$ 775,019	$1,045,374	$1,240,821	$1,279,473	$5,206,633
Support	421,015	407,964	382,282	479,979	604,480	2,295,720
Plant	93,875	105,214	122,154	102,215	164,315	587,773
Total Pers. Svcs.	$1,380,836	$1,288,197	$1,549,810	$1,823,015	$2,048,268	$8,090,126
Fiscal 1991						
Instruction	$ 891,558	$ 792,894	$1,093,511	$1,286,211	$1,317,418	$5,381,592
Support	434,349	419,218	382,282	479,979	622,563	2,338,391
Plant	97,054	117,415	122,154	102,215	169,609	608,447
Total Pers. Svcs.	$1,422,961	$1,329,527	$1,597,947	$1,868,405	$2,109,590	$8,328,430

LEGISLATIVE ACTION

AGENCY: BUREAU OF MINES — PROGRAM: BUREAU OF MINES

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	26.43	25.44	26.82	1.38	25.44	26.82	1.38	0.39
Personal Services	$ 885,962	$ 880,164	$ 935,765	$ 55,601	$ 880,753	$ 976,772	$ 96,019	5.62
Operating Expenses	331,694	332,517	383,651	51,134	333,518	366,652	33,134	15.66
Equipment	60,849	41,400	26,500	(14,900)	45,000	28,500	(16,500)	(56.45)
TOTAL EXPENSES	$1,278,505	$1,254,081	$1,345,916	$ 91,835	$1,259,271	$1,371,924	$112,653	5.27
FUNDING								
General Fund	$1,232,538	$1,201,081	$1,292,916	$ 91,835	$1,206,271	$1,318,924	$112,653	4.90
State Special Rev	45,967	53,000	53,000	0	53,000	53,000	0	15.30
TOTAL FUNDING	$1,278,505	$1,254,081	$1,345,916	$ 91,835	$1,259,271	$1,371,924	$112,653	5.27

Program Description: The Bureau of Mines and Geology is a public service and research agency at the Montana College of Mineral Science and Technology in Butte. The bureau gathers, field tests, analyzes, catalogs, and disseminates information on ground water, metals, oil, gas, coal, and other non-metallic minerals. The bureau participates in cooperative ground water studies with the United States Geological Survey.

Legislative Intent: The Poplar River monitoring project is a biennial appropriation.

Budget: The 0.39 FTE increase is due to recategorizing the personnel, as shown in Table 1. This recategorization increased FTE and decreased salaries by $4,174.

Table 1
Comparison of FTE and Salary Cost Appropriated in Fiscal 1988
to Appropriated for Fiscal 1990

Category	FTE FY88	FTE FY90	FTE Diff.	Salary Cost* FY88	Salary Cost* FY90	Salary Cost* Diff.
Contract Faculty	15.56	10.64	(4.92)	$542,266	$380,537	$(161,729)
Contract Professional	1.50	5.50	4.00	52,275	201,551	149,276
Classified	8.65	9.30	0.65	144,308	152,133	7,825
Part-Time	0.72	1.38	0.66	12,000	12,454	454
Total	26.43	26.82	0.39	$750,849	$746,675	$ (4,174)

*Salary costs do not include 6 percent increases for affiliated faculty or House Bill 786 pay plan increases.

The increase in personal services is primarily due to: 1) a salary reduction of $4,174 and a benefits reduction of $800 because personnel were recategorized; 2) a 6.0 percent increase in salaries for affiliated faculty in each fiscal year which is a program expansion discussed below; 3) a 2.0 percent vacancy savings of approximately $18,000 realized in fiscal 1988 but not applied in fiscal 1990; and 4) $20,902 in fiscal 1990 and $43,815 in fiscal 1991 in House Bill 786 for the pay plan for non-faculty employees. Table 2 shows the Bureau of Mines and Geology FTE, average salaries, and total compensation for fiscal 1988, 1990, and 1991.

Table 2
Bureau of Mines and Geology FTE, Average Salaries, and Total Personal Services
Fiscal 1988, 1990, and 1991

	FTE FY88	FTE FY90	Diff. FY88-90	Average Salaries FY88	Average Salaries FY90	Average Salaries FY91	Diff. FY88-90	Diff. FY88-91	Total Cost FY88 Approp.	Total Cost FY90	Total Cost FY91
Contract Faculty	15.56	10.64	(4.92)	$ 34,850	$37,028	$ 38,409	$ 2,178	$ 3,559	$542,266	$393,977	$408,677
Contract Prof.	1.50	5.50	4.00	34,850	36,646	36,646	1,796	1,796	52,275	201,551	201,551
Classified	8.65	9.30	0.65	16,683	16,358	16,358	(325)	(325)	144,308	152,133	152,133
Part Time	0.72	1.38	0.66	16,667	9,025	9,025	(7,642)	(7,642)	12,000	12,454	12,454
Totals	26.43	26.82	0.39						$750,849	$760,115	$774,815
Pay Plan									$ -0-	$ 20,902	$ 43,815
Benefits									119,875	119,641	123,035
Insurance									34,018	35,107	35,107
Vacancy Savings									(10,118)	-0-	-0-
Total Compensation									$894,624	$935,765	$976,772

Operating costs were increased to the fiscal 1988 appropriated level, and $18,000 for the Poplar River monitoring project has been added as a biennial appropriation in fiscal 1990, resulting in a 15.7 percent increase over actual expenditures. Appropriated amounts for equipment are for assorted laboratory equipment in fiscal 1990 and a microscope in fiscal 1991.

Program Expansion: Salary Increases - The legislature approved an additional $16,000 in fiscal 1990 and $33,500 in fiscal 1991 in House Bill 100 for a 6.0 percent salary increase for affiliated faculty. These salary increases result from the "six and six" percent faculty increases negotiated by the Board of Regents.

Funding: State special revenue from the sale of maps and publications is budgeted at $53,000 each year. The balance of the funding is general fund which increases 4.9 percent from fiscal 1988 to fiscal 1990.

Difference From Executive: The personal services appropriation exceeds the executive budget because: 1) elimination of vacancy savings resulted in an increase of over $17,700 in each fiscal year; 2) $16,000 in fiscal 1990 and $33,500 in fiscal 1991 were added to provide affiliated faculty with a 6.0 percent salary increase each year; 3) the legislature approved a benefits budget approximately $990 higher than the executive request; and 4) $20,902 in fiscal 1990 and $43,815 in fiscal 1991 were added for the pay plan.

Operating expenses are higher than the executive budget primarily because: 1) the legislature increased the budget by $33,134 to the 1988 appropriated level; and 2) a biennial appropriation of $18,000 for the Poplar River monitoring project was approved.

The legislature reduced the executive budget for equipment by $14,900 in fiscal 1990 and $16,500 in fiscal 1991. These amounts were for assorted laboratory equipment.

LEGISLATIVE ACTION

AGENCY: AGRICULTURAL EXPERIMENT STATION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	259.70	273.27	259.67	(13.60)	273.27	259.67	(13.60)	(0.03)
Personal Services	$6,902,129	$7,004,031	$7,548,179	$544,148	$7,004,616	$7,923,964	$919,348	9.36
Operating Expenses	1,494,559	1,511,610	1,479,205	(32,405)	1,522,602	1,479,202	(43,400)	(1.03)
Equipment	154,800	126,965	129,000	2,035	126,965	129,000	2,035	(16.67)
Non-Operating	979	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$8,552,467	$8,642,606	$9,156,384	$513,778	$8,654,183	$9,532,166	$877,983	7.06
FUNDING								
General Fund	$6,204,844	$6,236,427	$6,735,145	$498,718	$6,248,684	$7,111,636	$862,952	8.55
State Special Rev	674,320	700,044	715,104	15,060	699,364	714,395	15,031	6.05
Federal Revenue	1,673,303	1,706,135	1,706,135	0	1,706,135	1,706,135	0	1.96
TOTAL FUNDING	$8,552,467	$8,642,606	$9,156,384	$513,778	$8,654,183	$9,532,166	$877,983	7.06

Program Description: The Montana Agricultural Experiment Station was established in 1893 at the state's land-grant university in Bozeman to conduct and promote studies, scientific investigations, and experiments relating to agriculture, natural resources, and rural life, and to provide information thereby acquired to the people of Montana. In addition to the campus research departments, there are seven applied research centers located around the state to serve specific agricultural areas and to be representative in soil, climate, and other variables for research tests. The agency summary table includes both the Main Station Program and the United States Livestock and Range Research Laboratory.

Budget: Personal services increase 9.4 percent because of: 1) the elimination of vacancy savings; 2) a program expansion for a 6.0 percent salary increase each year for affiliated faculty; 3) an increase in the Spring Wheat Breeding Program; and 4) additions for the pay plan for non-faculty employees. Operating expenses decrease 1.0 percent due to the net of: 1) the elimination of operating expenses funded in fiscal 1988 by transfers from personal services; 2) inflationary increases; and 3) an increase in the Spring Wheat Breeding Program. Equipment decreases 16.7 percent to the level appropriated for the 1989 biennium. Non-operating expenditures are not budgeted for the 1991 biennium.

Funding: The state special revenue is derived primarily from the research program livestock and product sales. Federal funds are Hatch Act formula and regional research funds.

Other Legislation:

House Bill 769 requires the Montana Agricultural Experiment Station and the Cooperative Extension Service to: 1) develop a usable data base of existing research in low-input, sustainable agriculture; 2) conduct educational programs for producers using material from the data base; 3) extend research on the use of legumes to supply a portion of the nitrogen required by field crops; 4) work with producers in establishing integrated pest management; 5) begin research and development of marketable specialty crops and livestock that are integral to sustainable farming systems; and 6) identify specific areas in which additional research is needed to enhance the adoption and success of low-input, sustainable agriculture in Montana. Educational programs in number 2 above must include teaching producers techniques of low-input agriculture, assessment of risks involved with change, and marketing of products from their farms and ranches.

LEGISLATIVE ACTION

AGENCY: AGRICULTURAL EXPERIMENT STATION — PROGRAM: MAIN STATION

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	243.00	257.27	243.00	(14.27)	257.27	243.00	(14.27)	0.00
Personal Services	$6,563,256	$6,594,529	$7,171,686	$577,157	$6,595,353	$7,548,180	$952,827	9.27
Operating Expenses	1,483,699	1,500,999	1,468,594	(32,405)	1,511,991	1,468,591	(43,400)	(1.02)
Equipment	155,213	123,965	126,000	2,035	123,965	126,000	2,035	(18.82)
Non-Operating	979	0	0	0	0	0	0	(100.00)
TOTAL EXPENSES	$8,203,147	$8,219,493	$8,766,280	$546,787	$8,231,309	$9,142,771	$911,462	6.86
FUNDING								
General Fund	$6,204,844	$6,188,358	$6,735,145	$546,787	$6,200,174	$7,111,636	$911,462	8.55
State Special Rev	325,000	325,000	325,000	0	325,000	325,000	0	0.00
Federal Revenue	1,673,303	1,706,135	1,706,135	0	1,706,135	1,706,135	0	1.96
TOTAL FUNDING	$8,203,147	$8,219,493	$8,766,280	$546,787	$8,231,309	$9,142,771	$911,462	6.86

Program Description: The Main Station budget funds agricultural research at 13 departments in Bozeman and at seven applied research centers: central in Moccasin, western in Corvallis, northern in Havre, southern in Huntley, northwestern in Kalispell, eastern in Sidney, and western triangle in Conrad. There are seven advisory committees comprised of representatives from the area served by each center and a statewide agricultural experiment station advisory council consisting of delegates elected by the local committees.

Legislative Intent: The Spring Wheat Breeding Program appropriation of $170,000 is a biennial appropriation. However, this narrative shows the appropriation split equally between the two years to reflect the anticipated annual expenditures.

Budget: The 1.00 FTE for the Spring Wheat Breeding Program which was begun in fiscal 1988 is continued. Personal services increase by 9.3 percent because: 1) there was vacancy savings of nearly $231,000 realized in fiscal 1988 but no vacancy savings was budgeted in fiscal 1990; 2) a 6 percent increase in salaries for affiliated faculty was approved; 3) there was an expansion of $570 for personal services each year for the Spring Wheat Breading Program; 4) $31,694 in fiscal 1990 and $32,500 in fiscal 1991 for a biennium cost of $64,244 was approved for recategorizing of FTE; and 5) $140,466 in fiscal 1990 and $298,804 in fiscal 1991 for the pay plan was appropriated in House Bill 786 for non-faculty employees. The Main Station FTE, average salaries, and total compensation appropriated for fiscal 1988, 1990, and 1991 are summarized in Table 1.

Table 1
Main Station FTE, Average Salaries, and Total Appropriated Personal Services
Fiscal 1988, 1990, and 1991

	FTE		Diff.	Average Salaries			Diff.	Diff.	Total Cost		
	FY88	FY90	FY88-90	FY88	FY90	FY91	FY88-90	FY88-91	FY88 Approp	FY90	FY91
Contract Faculty	91.00	91.09	0.09	$31,407	$33,264	$35,236	$1,857	$3,829	$2,858,040	$3,029,983	$3,209,652
Contract Professional	23.00	27.09	4.09	25,516	25,238	25,238	(278)	(278)	586,868	683,710	683,710
Classified	96.00	90.92	(5.08)	17,347	17,338	17,338	(9)	(9)	1,665,312	1,576,352	1,576,352
Part-Time	16.00	17.00	1.00	17,965	17,965	17,965	-0-	-0-	287,440	305,405	305,405
Grad. Research	17.00	16.90	(0.10)	16,433	16,401	16,401	(32)	(32)	279,361	277,177	277,177
Totals	243.00	243.00	0.00						$5,677,021	$5,872,627	$6,052,296
Pay Plan									$ -0-	$ 140,466	$ 298,804
Benefits									868,613	890,846	929,333
Insurance									248,365	267,747	267,747
Vacancy Savings									(182,956)	-0-	-0-
Total Compensation									$6,611,043	$7,171,686	$7,548,180

Operating expenses decrease 1.0 percent due to: 1) elimination of $38,577 in operating expenses funded by transfers from personal services in fiscal 1988; 2) net inflationary increases of approximately $20,500 in various categories, primarily fuel, utilities, and communications; and 3) approval of a program expansion for the Spring Wheat Breeding Program which increases operating expenses $3,000 over the fiscal 1988 level.

Equipment decreases 18.8 percent to $126,000 each year for laboratory equipment. This amount includes $116,000 per year as was appropriated for the 1989 biennium, plus $10,000 each fiscal year for equipment for the Spring Wheat Breeding Program.

Program Expansions: Two program expansions approved by the legislature are as follows:

1. Salary Increases - The legislature approved an additional $204,700 in fiscal 1990 and $422,000 in fiscal 1991 for a 6 percent salary increase each year for affiliated faculty. These salary increases result from the "six and six" percent faculty increases negotiated by the Board of Regents.

2. Spring Wheat Breeding Program - The legislature approved $170,000 as a biennial appropriation for a Spring Wheat Breeding Program. Estimated expenditures per year are as follows: 1.00 FTE and $46,070 per year in personal services; $28,930 per year in operating expenses; and $10,000 per year for equipment. This program is oriented toward improving the economic yield and marketability of spring wheat.

Funding: State special revenue of $325,000 is included each year from agricultural sales based on the agency's revenue projections. Federal revenue increases 2.0 percent and includes $1,143,730 of Hatch Act formula funds and $562,405 of Hatch Act regional funds for agricultural research in cooperation with other western states on joint projects. Remaining funding is from the general fund.

Other Legislation:

House Bill 769 requires the Experiment Station and the Extension Service to develop a data base of existing research and to implement research programs as discussed in the Agency Summary section.

Difference From Executive: Personal services exceed the executive budget by $577,157 in fiscal 1990 and $952,827 in fiscal 1991 because: 1) vacancy savings of nearly $134,600 was eliminated; 2) $46,070 for the Spring Wheat Breeding Program was added; 3) 6.0 percent salary increases for affiliated faculty of $204,700 in fiscal 1990 and $422,000 in fiscal 1991 were approved; 4) $51,339 was added for 1.00 FTE which was inadvertently omitted in the executive budget; and 5) a pay plan increase of $140,466 in fiscal 1990 and $298,804 in fiscal 1991 was allocated for non-faculty employees.

The legislature reduced operating expenses to the 1988 appropriated level, with $2,919 in adjustments for inflation and the Spring Wheat Breeding Program, instead of approving the executive budget which requested $32,000 more for travel, leases, and repair and maintenance.

Equipment approved by the legislature was the net of a $7,965 reduction from the executive budget for general equipment and an increase of $10,000 for equipment for the Spring Wheat Breeding Program.

LEGISLATIVE ACTION

AGENCY: AGRICULTURAL EXPERIMENT STATION — PROGRAM: U.S. RANGE LABORATORY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	16.70	16.00	16.67	0.67	16.00	16.67	0.67	(0.03)
Personal Services	$338,873	$409,502	$376,493	$(33,009)	$409,263	$375,784	$(33,479)	11.10
Operating Expenses	10,860	10,611	10,611	0	10,611	10,611	0	(2.29)
Equipment	(413)	3,000	3,000	0	3,000	3,000	0	(826.39)
TOTAL EXPENSES	$349,320	$423,113	$390,104	$(33,009)	$422,874	$389,395	$(33,479)	11.68
FUNDING								
State Special Rev	$349,320	$423,113	$390,104	$(33,009)	$422,874	$389,395	$(33,479)	11.68

Program Description: The United States Livestock and Range Research Laboratory at Miles City is a cooperative program of the United States Department of Agriculture and the state through the Montana Agricultural Experiment Station. The purpose of the laboratory is to improve the production of beef and to increase range forage efficiency.

Budget: Personal services increase 11.1 percent because vacancy savings of approximately $38,000 realized in fiscal 1988 was not applied in the 1991 biennium. Operating expenses are essentially equal to fiscal 1988 actual expenses. The equipment budget of $3,000 per year is for general laboratory equipment.

Funding: Funding is from state special cattle sale revenue.

Difference From Executive: The appropriation for personal services is $33,000 less than the executive budget. This reduction is the net of: 1) an increase of $17,148 for an additional 0.67 FTE; and 2) a reduction of $50,160 because appropriated average salaries were lower than the average salaries in the executive budget. The executive budget average salary and benefits per FTE was $25,594, compared to $22,585 average salary and benefits actually appropriated. No pay plan allocations are included in this budget. There were no differences in operating expenses and equipment.

LEGISLATIVE ACTION

AGENCY: EXTENSION SERVICE

PROGRAM: PUBLIC SERVICE

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	115.77	101.08	115.77	14.69	101.08	115.77	14.69	0.00
Personal Services	$3,227,201	$3,470,181	$3,747,110	$276,929	$3,471,756	$3,988,347	$516,591	16.11
Operating Expenses	520,610	520,421	521,951	1,530	521,204	530,019	8,815	0.26
Equipment	13,132	25,696	20,000	(5,696)	22,750	20,000	(2,750)	52.30
TOTAL EXPENSES	$3,760,943	$4,016,298	$4,289,061	$272,763	$4,015,710	$4,538,366	$522,656	14.04
FUNDING								
General Fund	$1,865,470	$2,069,790	$2,334,553	$264,763	$2,069,202	$2,576,858	$507,656	25.15
State Special Rev	0	0	8,000	8,000	0	15,000	15,000	0.00
Federal Revenue	1,895,473	1,946,508	1,946,508	0	1,946,508	1,946,508	0	2.69
TOTAL FUNDING	$3,760,943	$4,016,298	$4,289,061	$272,763	$4,015,710	$4,538,366	$522,656	14.04

Program Description: The Montana Extension Service is the state agency responsible for disseminating useful and practical information on subjects relating to agriculture and home economics, as well as managing the 4-H program. The agency is located at Montana State University in Bozeman and has four area offices, plus the local county extension agent offices. The extension service is part of the national land-grant university system.

Legislative Intent: In the Public Service Program unrestricted funds, $1 of general fund will revert for each $1 that federal Smith-Lever funds exceed $1,946,508 in both fiscal 1990 and fiscal 1991. The legislature appropriated $106,844 in fiscal 1990 and $133,067 in fiscal 1991 from general fund for increased benefits required by the federal government for federal employees. The general fund is to revert to the extent that the federal government funds the additional benefits.

Budget: Personal services increase 16.1 percent because the legislature approved: 1) an agency restructuring at a cost of $36,052 per year, as shown in Table 1, plus benefits of approximately $7,100; 2) a program expansion resulting in salary increases of 6 percent for affiliated faculty in each year of the biennium as discussed below; 3) increases in employee benefit costs for federal civil service employees of $106,844 in fiscal 1990 and $133,067 in fiscal 1991; 4) elimination of vacancy savings of approximately $172,000 each year; and 5) $50,874 in fiscal 1990 and $109,446 in fiscal 1991 for the pay plan for non-faculty employees.

Table 1
Comparison of FTE and Cost of Salaries by Employee Category

Category	FTE Approp.	FTE Request	FTE Diff.	Salary Cost* Approp.	Salary Cost* FY90 Request	Salary Cost* Difference
Contract Faculty	81.89	81.46	(0.43)	$2,038,591	$2,035,662	$ (2,929)
Contract Professional	9.00	11.11	2.11	351,209	441,988	90,779
Classified	23.20	22.03	(1.17)	369,539	325,144	(44,395)
Part-Time	1.68	1.17	(0.51)	27,984	20,581	(7,403)
Total	115.77	115.77	0.00	$2,787,323	$2,823,375	$ 36,052

*Salary costs do not include 6 percent increases for affiliated faculty or House Bill 786 pay plan increases.

Table 2 shows the Extension Service FTE, average compensation, and total personal services costs appropriated for fiscal 1988, 1990, and 1991. Fiscal 1988 appropriations were greater than actual expenditures primarily because $592,890 of the special appropriations for federal employee benefits was not spent as most of the staff did not convert to the federal retirement system.

Table 2
Extension Service FTE, Average Salaries, and Total Personal Services
Fiscal 1988, 1990, and 1991

	FTE FY88	FTE FY90	Diff. FY88-90	Average Salaries FY88	Average Salaries FY90	Average Salaries FY91	Diff. FY88-90	Diff. FY88-91	Total Cost FY88 Approp	Total Cost FY90	Total Cost FY91
Contract Faculty	81.89	81.46	(0.43)	$24,894	$26,489	$28,078	$1,595	$3,184	$2,038,591	$2,157,802	$2,287,270
Contract Professional	9.00	11.11	2.11	39,023	39,783	39,783	760	760	351,209	441,988	441,988
Classified	23.20	22.03	(1.17)	15,928	14,681	14,681	(1,247)	(1,247)	369,539	323,419	323,419
Part-Time	1.68	1.17	(0.51)	16,657	17,591	17,591	933	933	27,984	20,581	20,581
Totals	115.77	115.77	(0.00)						$2,787,323	$2,943,790	$3,073,258
Pay Plan									$ -0-	$ 50,874	$ 109,446
Benefits									1,154,374	695,342	748,539
Insurance									35,880	57,104	57,104
Vacancy Savings									(133,738)	-0-	-0-
Total Compensation									$3,843,839	$3,747,110	$3,988,347

Operating expenses increase 0.3 percent, or $1,341, as a result of: 1) a reduction of $21,626 because actual expenditures were greater than the fiscal 1988 appropriation; and 2) increases of $22,967 in fiscal 1990 and $29,967 in fiscal 1991 for a ground water protection program in compliance with House Bill 757. Library books and general equipment was approved at the average expenditure of fiscal years 1986, 1987, and 1988.

Program Expansions: Salary Increases - The legislature approved an additional $147,000 in fiscal 1990 and $302,500 in fiscal 1991 for a 6 percent salary increase each year for affiliated faculty. These salary increases result from the "six and six" percent faculty increases negotiated by the Board of Regents.

Funding: Funding is general fund and unrestricted federal Smith-Lever funds from the United State Department of Agriculture. The agency's projection is that federal funds will increase to $1,946,508. Increased benefit costs of $106,844 in fiscal 1990 and $133,067 in fiscal 1991 are funded by general fund subject to a reversion if federal funds are obtained. The ground water protection program is funded from: 1) fees on pesticides which are deposited to and appropriated from the general fund; and 2) fees on fertilizer products which are deposited to and appropriated from a state special revenue account.

Other Legislation:

House Bill 757 established a ground water protection program funded from fees on pesticides and fertilizer products. House Bill 100 appropriates $22,967 in fiscal 1990 and $29,967 in fiscal 1991 for this program.

House Bill 769 requires the Montana Agricultural Experiment Station and the Cooperative Extension Service to: 1) develop a usable data base of existing research in low-input, sustainable agriculture; 2) conduct educational programs for producers using material from the data base. Programs must include teaching producers techniques of low-input agriculture, assessment of risks involved with change, and marketing of products from their farms and ranches; 3) extend research on the use of legumes to supply a portion of the nitrogen required by field crops; 4) work with producers in establishing integrated pest management; 5) begin research and development of marketable specialty crops and livestock that are integral to sustainable farming systems; and 6) identify specific areas in which additional research is needed to enhance the adoption and success of low-input, sustainable agriculture in Montana.

Difference From Executive: The appropriation for personal services is greater than the executive budget because: 1) vacancy savings of $68,000 was eliminated; 2) 6.0 percent annual pay increases for affiliated faculty resulted in the addition of $147,000 in fiscal 1990 and $302,500 in fiscal 1990; 3) agency restructuring resulted in net increases of $11,029 in fiscal 1990 and $36,588 in fiscal 1991; and 4) $50,874 in fiscal 1990 and $109,446 in fiscal 1991 were added for the pay plan for non-faculty employees.

In operating expenses, the legislature appropriated approximately $21,000 less for travel than requested by the executive budget and $22,967 in fiscal 1990 and $29,967 in fiscal 1991 for additional operating expenses for the ground water protection program (House Bill 757).

Appropriations for equipment are lower than the executive budget by $5,696 in fiscal 1990 and $2,750 in fiscal 1991 because the legislature approved a three-year expenditure average for books and general equipment.

LEGISLATIVE ACTION

AGENCY: FOREST AND CONSERVATION EXPERIMENT STATION — PROGRAM: RESEARCH

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE	16.09	15.82	16.09	0.27	15.82	16.09	0.27	0.00
Personal Services	$494,495	$489,212	$522,728	$33,516	$489,389	$547,721	$58,332	5.71
Operating Expenses	125,373	126,109	126,486	377	126,807	127,184	377	0.89
Equipment	12,682	15,000	15,000	0	23,500	13,000	(10,500)	18.28
TOTAL EXPENSES	$632,550	$630,321	$664,214	$33,893	$639,696	$687,905	$48,209	5.01
FUNDING								
General Fund	$632,550	$630,321	$664,214	$33,893	$639,696	$687,905	$48,209	5.01

Program Description: The Montana Forest Conservation and Experiment Station's purposes include the study of relationships between forests and other dimensions of the environment, the discovery of ways to improve the products of forest lands, and the completion and publication of reports about forestry research. Research is carried on at Lubrecht Experimental Forest and at other locations in Montana in cooperation with private, state, and federal agencies.

Budget: Personal services increase because: 1) $13,400 in fiscal 1990 and $27,500 in fiscal 1991 were added for 6 percent pay increases for affiliated faculty; 2) a net increase of $5,074 per year resulted from average salary changes by category of personnel; and 3) $9,759 in fiscal 1990 and $20,652 in fiscal 1991 were added for the pay plan for non-faculty employees.

Table 1 shows the Forest and Conservation Experiment Stations FTE, average compensation, and total personal service costs appropriated for fiscal 1988, 1990, and 1991.

Table 1
Forest and Conservation Experiment Station FTE, Average Salaries, and Total Personal Services Appropriated
Fiscal 1988, 1990, and 1991

	FTE		Diff.	Average Salaries			Diff.	Diff.	Total Cost		
	FY88	FY90	FY88-90	FY88	FY90	FY91	FY88-90	FY88-91	FY88 Approp.	FY90	FY91
Professional	9.00	9.00	0.00	$29,919	$30,958	$32,491	$1,039	$2,572	$269,271	$278,618	$292,417
Classified	5.90	5.90	0.00	20,359	21,437	21,437	1,078	1,078	120,118	126,478	126,478
Part Time	0.55	0.55	0.00	17,015	19,198	19,198	2,183	2,183	9,358	10,559	10,559
Grad. Research	0.64	0.64	0.00	17,828	18,750	18,750	922	922	11,410	12,000	12,000
Totals	16.09	16.09	0.00						$410,157	$427,655	$441,454
Pay Plan									$ -0-	$ 9,759	$ 20,652
Benefits									63,798	65,621	65,922
Insurance									19,054	19,693	19,693
Vacancy Savings									-0-	-0-	-0-
Total Compensation									$493,009	$522,728	$547,721

Operating expenses were increased to the fiscal 1988 appropriated level. Equipment increases 18.3 percent from fiscal 1988 to fiscal 1990. The equipment budget funds one half-ton four-by-four truck in fiscal 1990 and office equipment to replace a copier and single user computers in fiscal 1991.

Program Expansion: Salary Increases - The legislature approved an additional $13,400 in fiscal 1990 and $27,500 in fiscal 1991 for a 6 percent salary increase each year for affiliated faculty. These salary increases result from the "six and six" percent faculty increases negotiated by the Board of Regents.

Funding: Funding is entirely from the general fund.

Difference From Executive: The personal services appropriation exceeds the executive budget primarily because: 1) vacancy savings of over $9,980 each year was eliminated; 2) $13,400 in fiscal 1990 and $27,500 in fiscal 1991 were added to provide 6 percent annual pay increases for affiliated faculty; and 3) $9,759 in fiscal 1990 and $20,652 in fiscal 1991 were added for the pay plan for non-faculty employees. Except for minor increases in communications and dues, the appropriations for operating expenses and equipment were equal to those requested by the executive budget.

LEGISLATIVE ACTION

AGENCY: MONTANA UNIVERSITY SYSTEM -- SIX UNITS | PROGRAM: SYSTEM SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE Enrollment	24,103	24,617	24,617	0	24,617	24,617	0	514
Instruction	$ 59,371,002	$ 63,209,501	$ 64,593,843	$1,384,342	$ 67,869,553	$ 68,411,561	$ 542,008	8.80
Support	34,025,350	35,441,486	35,817,379	375,893	36,183,089	36,719,558	536,469	5.27
Research	1,115,208	1,296,658	1,208,026	(88,632)	1,297,396	1,234,154	(63,242)	8.32
Public Service	436,449	449,425	467,306	17,881	452,800	474,055	21,255	7.07
Plant Oper & Maint	15,833,300	16,694,282	17,083,008	388,726	17,352,947	17,501,318	148,371	7.89
Scholar & Fellow	2,944,341	3,331,912	3,331,912	0	3,331,912	3,331,912	0	13.16
Total Expenditures	$113,725,650	$120,423,264	$122,501,474	$2,078,210	$126,487,697	$127,672,558	$1,184,861	7.72
FUNDING								
General Fund	$ 73,051,371	$ 75,588,179	$ 76,712,205	$1,124,026	$ 82,913,787	$ 83,588,800	$ 675,013	5.01
Millage	12,864,200	12,050,000	12,050,000	0	12,022,000	12,022,000	0	(6.33)
Tuition And Fees	26,084,109	30,924,805	30,924,805	0	30,924,805	30,924,803	(2)	18.56
Indirect Costs	1,194,980	1,227,175	1,227,175	0	0	0	0	2.69
Other	530,990	642,105	1,587,289	945,184	642,105	1,136,955	494,850	198.93
Total Funding	$113,725,650	$120,432,264	$122,501,474	$2,069,210	$126,502,697	$127,672,558	$1,169,861	7.72

Program Description: The Montana University System is composed of two universities and four colleges which serve approximately 25,000 students each year. Program budgets of the units of the university system include instruction, support, organized research, public service, operation and maintenance of plant, and scholarships and fellowships.

Legislative Intent: The legislature appropriated $25,000 from the general fund each year of the 1991 biennium for the pharmacy program accreditation with the intent that the pharmacy school would solicit up to an equal amount from private sources. House Bill 100 includes the following language which reflects legislative intent even though the actual dollar amount for expected donations is not actually included in the appropriated amounts:

> Up to $25,000 per year of current restricted private donations for the pharmacy program accreditation are appropriated.

The legislature has adopted student/faculty ratios in the formula budgets for fiscal 1991 that begin to reduce the difference between student/faculty ratios in the units of the Montana University System and the average student/faculty ratios of the peer institutions.

Budget: The budget was developed using the university formula developed by the University Funding Study Committee during the 1989 biennium interim study. Expenditures are categorized in six functional areas: instruction, support, plant operations and maintenance, research, public service, and scholarships and fellowships. Instruction, support, and scholarships and fellowships are developed using an enrollment driven formula while research, public service, and plant operations and maintenance are developed using an incremental budgeting method.

Formula Data Elements: The Funding Study Committee adopted six data elements for the instruction and support program formula budgeting: 1) fiscal year FTE student enrollment, 2) student/faculty ratios, 3) instructional faculty salary, 4) benefit rates, 5) instructional support costs, and 6) support program costs.

Instruction: The university system budget for the instruction program is $133,005,404 for the 1991 biennium. The instruction budget is developed using data elements 1 through 5 above. The instruction budget is a combination of instructional faculty compensation and instructional support costs which consist of support personnel and actual instructional operating costs and instructional equipment. Instructional compensation is calculated using student enrollment, student/faculty ratios, and an average faculty salary plus benefits. The student enrollment is divided by the student/faculty ratio to compute the FTE faculty. The FTE faculty is then multiplied by the average faculty salary plus benefits to compute total instructional faculty compensation. An instructional support rate per FTE student is multiplied by the student enrollment and added to the faculty compensation to determine the total instruction budget. The following narrative explains each factor and the calculation.

The enrollments used in the formula budgets are based on the average of the previous two years' actual enrollments. Table 1 shows the enrollments for fiscal 1987 and 1988 and the average used in the 1991 biennium budget calculations.

Table 1
Montana University System - FTE Student Enrollment

Unit	Actual Fiscal 1987	Actual Fiscal 1988	Budgeted Fiscal 1990	Budgeted Fiscal 1991
MSU	9,664	9,287	9,476	9,476
UM	7,966	7,552	7,759	7,759
EMC	3,288	3,303	3,296	3,296
NMC	1,710	1,551	1,631	1,631
WMC	926	828	877	877
MCMST	1,573	1,582	1,578	1,578
Total Enrollment	25,127	24,103	24,617	24,617

Table 2 shows the student/faculty ratios used in the formula and the average faculty salaries and benefits. The student/faculty ratio used in fiscal 1990 is based on the application of the 1981 formula instructional productivity ratios to a two-year average of credit hour enrollment by discipline area. The 1991 student/faculty ratio is based on the university system proposal to reduce the gap between the Montana units and their peers by one-eighth, while the faculty salaries are based on the "six-and-six" percent increases negotiated with the units by the Board of Regents. As Table 2 shows, actual salary increases from the fiscal 1988 average to fiscal 1990 do not equal six percent in all cases. This is due to adjusting to the average of the peers. This is illustrated by MSU and UM who share the same peers, yet their individual fiscal 1988 average faculty salaries differ slightly. Thus, to adjust salaries to a single amount of $33,100 for both units, the percent change differs, 6.6 percent for MSU compared to 6.0 percent for UM. The same applies to NMC and WMC because they share the same peers. Montana College of Mineral Science and Technology was adjusted to the same average salary as the two university peers, but their average salary was closer to the peer average; therefore, salaries only increased 5.1 percent. All salaries increased a flat six percent from fiscal 1990 to fiscal 1991. The benefit rates are based on the anticipated 1991 biennium rates for teacher's retirement, FICA, state unemployment, workers' compensation, and group health insurance. The instruction program pay plan allocation adds $240,152 in fiscal 1990 and $560,424 in fiscal 1991 for faculty health insurance increases. The increases for faculty health insurance from the pay plan are not included in the benefit rates included in Table 2 for the formula calculations.

Table 2
Instruction Program - Formula Factors

	Student/Faculty Ratios			Faculty Salaries						Benefit Rates (%)	
	Peer Avg.	FY 90	FY 91	Peer Avg.	FY 88 Avg.	FY 90	% Chng. FY88-FY90	FY 91	% Chng. FY90-FY91	FY 90	FY 91
MSU	16.14	17.84	17.63	$38,240	$31,043	$33,100	6.6	$35,086	6.0	19.919	19.947
UM	16.14	18.70	18.38	38,240	31,221	33,100	6.0	35,086	6.0	19.994	20.022
EMC	19.16	19.09	19.00	32,790	26,375	28,000	6.2	29,680	6.0	20.762	20.818
NMC	15.91	15.45	15.50	32,790	25,185	27,000	7.2	28,620	6.0	21.047	21.037
WMCUM	15.03	15.51	15.46	32,790	24,490	27,000	10.2	28,620	6.0	21.065	21.093
MCMST	11.61	17.32	16.61	35,243	31,493	33,100	5.1	35,086	6.0	19.996	20.024

Table 3 shows the instructional support rates adopted by the legislature. The fiscal 1990 and 1991 rates are based on reducing the gap between the Montana units and their peers by one-eighth each year of the 1991 biennium from the fiscal 1987 actual rates as reported to the University Funding Study Committee.

Table 3
Instruction Program - Instructional Support Rates Adopted

	- - - Fiscal 1987 - - - Peer Avg	Actual	Gap	1/8 Gap	FY 90	1/8 Gap	FY 91
MSU	$686	$456	$230	$29	$485	$29	$514
UM	686	342	344	43	385	43	428
EMC	405	307	98	12	319	12	331
NMC	463	312	151	19	331	19	350
WMCUM	490	341	149	19	360	19	379
MCMST	745	494	251	31	525	32	557

Support: The support budget totals $72,536,937 for the 1991 biennium which is a 10 percent increase over the 1989 biennium appropriated level. The support budget includes academic, institutional, and student services support and includes such expenditures as intercollegiate athletics, libraries, counseling, registration, academic deans, and other administrative functions. Support is calculated using student enrollment and a flat rate per FTE student. Table 4 shows the support rates adopted for the 1991 biennium budget. The base support program rate is the fiscal 1987 actual rate as reported to the University Funding Study Committee by the units. The fiscal 1990 rate is based on reducing the gap between the Montana units and their peers by one-eighth. The fiscal 1991 rate is based on further reducing the gap between the Montana units and their peers by one-twelfth. The support program pay plan allocation adds $255,893 in fiscal 1990 and $536,471 in fiscal 1991 to what the formula generates. The pay plan allocation is not included in the support program rates included in Table 4.

Table 4
Support Program - Formula Factors

	- - - Fiscal 1987 - - - Peer Avg	Actual	Gap	1/8 Gap	FY 90	1/12 Gap	FY 91
MSU	$1,874	$1,321	$553	$69	$1,390	$46	$1,436
UM	1,874	1,306	568	71	1,377	47	1,424
EMC	1,648	1,443	205	26	1,469	17	1,486
NMC	1,546	1,453	93	12	1,465	8	1,473
WMCUM	1,945	1,511	434	55	1,566	36	1,602
MCMST	2,403	1,626	777	97	1,723	65	1,788

Audit costs of $262,188 are included in the support program budget. EMC, NMC, WMCUM, and MCMST are required to fund 25.0 percent of the audit costs from funds other than current unrestricted. MSU and UM are required to fund 50.0 percent from sources other than current unrestricted funds.

Research: MSU, MCMST, and UM have research programs. These budgets are incrementally budgeted using fiscal 1988 expenditures within the appropriated levels. The research budget for the three units for the 1991 biennium totals $2,442,180. The research budget increases 8.3 percent from fiscal 1988 to fiscal 1990 as the legislature approved the expanded expenditure base of $64,000 at the University of Montana. The research program pay plan allocation amounts to $23,868 in fiscal 1990 and $49,258 in fiscal 1991.

Public Service: Four units have public service programs which are incrementally budgeted. The public service budget for MSU, UM, EMC, and NMC for the 1991 biennium totals $941,361 which is an increase of 7.1 percent from fiscal 1988 to fiscal 1990. The public service program pay plan allocation amounts to $10,381 in fiscal 1990 and $21,255 in fiscal 1991.

Plant: The plant operation and maintenance incremental budget for the 1991 biennium totals $34,584,326 and increases 7.9 percent from fiscal 1988 to fiscal 1990. The legislature approved the board of regent's proposed plant budget with an increase of 4.0 percent from fiscal 1988 to fiscal 1990 and another 4.0 percent from fiscal 1990 to fiscal 1991. The legislature approved biennial appropriations for new space modified budgets for MSU, UM, and EMC totaling $250,000. MSU is adding office space in Culbertson Hall, previously a student residence hall, UM is adding office space in Brantly/Corbin Hall, previously a student residence hall, and EMC is adding office space for athletics in a building next to the EMC campus purchased from the Small Business Administration. The plant program pay plan allocation amounts to $179,175 in fiscal 1990 and $376,021 in fiscal 1991.

Scholarships and Fellowships: This program budget is $6,663,824 for the 1991 biennium and increases 13.2 percent from fiscal 1988 to fiscal 1990 primarily due to higher tuition. This budget is developed using 5.75 percent of anticipated in-state registration and incidental fees and 18.45 percent of projected out-of-state incidental fees. Projections are also included for mandatory fee waivers for eligible students: Native Americans, veterans, senior citizens, high school honor recipients, war orphans, prisoners of war, custodial, community college honor, and national merit. Table 5 details the scholarships and fellowships by fiscal year for each unit.

Table 5
Scholarships and Fellowships 1991 Biennium

Unit	FISCAL 1990					FISCAL 1991				
	Discretionary Waivers			Mandatory		Discretionary Waivers			Mandatory	
	In-State	Out-of-State	Total	Waivers	Total	In-State	Out-of-State	Total	Waivers	Total
MSU	$ 500,480	$305,685	$ 806,165	$ 382,500	$1,188,665	$ 500,480	$305,685	$ 806,165	$ 382,500	$1,188,665
UM	431,533	308,364	739,897	337,600	1,077,497	431,533	308,364	739,897	337,600	1,077,497
EMC	159,330	47,004	206,334	152,272	358,606	159,330	47,004	206,334	152,272	358,606
NMC	81,686	41,574	123,260	190,740	314,000	81,686	41,574	123,260	190,740	314,000
WMCUM	70,380	7,725	78,105	29,784	107,889	70,380	7,725	78,105	29,784	107,889
MCMST	133,260	101,439	234,699	50,556	285,255	133,260	101,439	234,699	50,556	285,255
Total	$1,376,669	$811,791	$2,188,460	$1,143,452	$3,331,912	$1,376,669	$811,791	$2,188,460	$1,143,452	$3,331,912

Program Expansions: The legislature approved as part of the "Stephen's/Regent's" revised budget $680,000 in program expansions. Included are: $260,000 for the UM extension MBA program at EMC, $295,000 for new space as discussed above, $75,000 to maintain the Law School accreditation, and $50,000 to maintain the School of Pharmacy accreditation. Also included is transition (let-down) funding for the University of Montana of $200,000, Northern Montana College of $500,000, and Western Montana College of $200,000 for the biennium. The UM transition funding is to mitigate costs in the instruction program resulting from a higher actual student enrollment than what the formula student enrollment is, while the NMC and WMC transition funding is to mitigate costs associated with decreasing student enrollments.

Funding: The six units of the university system are funded from state general fund, tuition and fees, a state six-mill levy, indirect cost reimbursement collections, and other miscellaneous sources.

General Fund: The university system budget includes $160.3 million of general fund in the 1991 biennium and increases 5.0 percent from fiscal 1988 to fiscal 1990 and 9.0 percent from fiscal 1990 to fiscal 1991.

Tuition and Fees: Tuition and fees revenue is projected to be $61,849,608 for the 1991 biennium and increases 18.6 percent from fiscal 1988 to fiscal 1990. These revenues are based on projected tuition and fee schedules proposed by the Board of Regents. A portion of the proposed increase results from eliminating part of the flat spot in current fee schedules that allow the same charges for taking from 12 to 18 credits per quarter. Under the proposed schedules students would not be charged additional fees for taking between 14 and 18 credits per quarter. The tuition revenue includes tuition surcharges of $90,950 for the architecture and $5,200 for the interior design programs at MSU for a total of $96,150 each year of the biennium and $102,000 for pharmacy, $262,000 for law, and $34,500 for physical therapy at the University of Montana for a total of $398,700 each year.

Six-Mill Levy: The state is authorized to collect up to six mills on the taxable value of all real and personal property in the state. The proceeds are used for the support, maintenance,and improvement of the Montana university system and other public education institutions subject to the Board of Regents supervision. These funds are subject to legislative appropriation. Millage receipts are estimated to be $12,050,000 in fiscal 1990 and $12,022,000 in fiscal 1991.

Indirect Cost Reimbursements: The legislature approved the phase-out of the deposit of indirect cost reimbursements to the current unrestricted fund by fiscal 1991. The approved budget includes $1,227,175 in fiscal 1990 with no indirect cost reimbursement budgeted for fiscal 1991.

Other: Other revenue is projected to be $2,724,244 for the 1991 biennium and increases 198.9 percent from fiscal 1988 to fiscal 1990. This increase results primarily from including those indirect cost reimbursements for student aid that are required to be deposited in the current unrestricted account and using $1,440,034 of the Board of Regent's education trust fund balance. Table 6 below details the other revenue projections by unit for fiscal 1990 and fiscal 1991.

Table 6
Other Revenue 1991 Biennium

Fiscal 1990	MSU	UM	EMC	NMC	WMCUM	MCMST	TOTAL
Education Trust Interest	$ 96,150	$598,700	$ -0-	$200,000	$50,334	$ -0-	$ 945,184
Student Aid Indirect Cost	162,000	53,500	22,000	19,000	16,500	32,500	305,500
Misc. Fees and Charges	147,500	102,000	15,000	4,000	8,000	60,105	336,605
Total	$405,650	$754,200	$37,000	$223,000	$74,834	$92,605	$1,587,289
Fiscal 1990							
Education Trust Interest	$ 96,150	$398,700	$ -0-	$ -0-	$ -0-	$ -0-	$ 494,850
Student Aid Indirect Cost	162,000	53,500	22,000	19,000	16,500	32,500	305,500
Misc. Fees and Charges	147,500	102,000	15,000	4,000	8,000	60,105	336,605
Total	$405,650	$554,200	$37,000	$ 23,000	$24,500	$92,605	$1,136,955

Other Legislation: The legislature passed and the Governor signed four bills which contain appropriations for one or more of the university units or which have a major impact on the university system.

House Bill 26 requires the information services division of the Department of Administration and the State Auditor to study and implement a uniform payroll, personnel, and position control system for the Montana University System.

There is $625,000 general fund appropriated to the Department of Administration and $25,000 general fund appropriated to the State Auditor to conduct the study and implement the uniform system by January 1, 1991.

House Bill 398 creates a genetic engineering technology research and development account at Montana State University to provide additional support for applied genetic engineering technology research and development to enhance Montana agricultural products. The legislature appropriated $160,000 from the renewable resource development bond fund contingent upon funds being available after all other appropriations from this source have been made. The main table does not include this $160,000 since it is a contingent appropriation.

House Bill 768 appropriates $262,201 from the general fund in fiscal 1990 to Montana State University to support staff and operations for the expanded facilities of the Museum of the Rockies. The MSU support program was increased $120,000 in fiscal 1990, and the balance of $142,201 was allocated to the plant program. The fiscal 1991 amount of $269,040 was vetoed by the Governor.

House Bill 760 appropriates $7,500 general fund to Eastern Montana College to conduct an economic analysis of a Billings-area reservoir site for recreation and other purposes. These additional funds are included in the public service program and are reflected in the EMC summary table that follows.

House Bill 44 appropriates $200,000 from the general fund to the University of Montana to maintain the Communication Sciences and Disorders (CSD) Program through June 30, 1991. The Board of Regents, on the recommendaton of President Koch and the UM retrenchment committee, eliminated the CSD Program beginning in fiscal 1991. The legislature, in special session, appropriated $200,000 from the general fund with the intent that UM, through super tuition and possible faculty salary concessions, will fund the remaining $190,000 required to maintain the CSD Program through the end of fiscal 1991. The appropriation is not included in any of the tables in this report.

Difference From Executive: The legislature is $3,239,071 more than the executive for the 1991 biennium. This difference is primarily the result of three factors: 1) the legislature funded $2,252,898 for pay plan increases for the non-faculty personnel at the six units; 2) a net addition of $740,474 from House and Senate amendments; and 3) the legislature appropriated $269,701 by passing House Bill 768 which appropriated funds for the Museum of the Rockies and House Bill 760 which appropriates funds to EMC for an economic analysis. There is an error in the executive budget between expenditures and funding where the funding exceeds total expenditures by $9,000 in fiscal 1990 and $15,000 in fiscal 1991.

The House Appropriations Committee amended House Bill 100 to reduce the appropriated amount to the Schwinden proposed budget plus the Stephen's administration additional "$13 million." This amendment was a result of negotiations with the Board of Regents, the Governor, and the legislature to address the approximately $3 million funding for post-secondary education above the executive's requested level. The Governor agreed to expand the $13 million to a total of $14.5 million or an additional $1.5 million while the House Appropriations Committee reduced the appropriation for the six units by approximately $1.4 million.

House Bill 100 was further amended on the floor of the House by adding back $604,531 of the $1.4 million that the House Appropriations Committee removed. Additionally, action on the House floor added $25,000 each year for the UM Pharmacy school accreditation.

The Senate Finance and Claims Committee amended House Bill 100 to: 1) add $989,700 for the biennium to replace super tuition funding at MSU and UM; 2) add $200,000 transition ("let down") funds for UM and NMC; and 3) add $75,000 transition funds at WMC for a total of $1,464,700 general funds. The House and Senate conference committee then amended House Bill 100 to fund the Senate Finance and Claims Committee amendment using the balance of the Regents' education trust fund instead of general fund. The education trust fund balance totaled $1,440,034 which funded all but $24,666 of the total cost of the amendment.

As discussed under Other Legislation, the legislature appropriated $269,701 in other bills which is in excess of the executive.

Table 7 is a summary of the personal services in the university budgets to line-item. Instructional support and support program personal services costs are not included because the program costs are developed using a flat cost per FTE student.

Table 7
University System Personal Services Line-Item

	MSU	UM	EMC	NMC	WMCUM	MCMST	Total
Fiscal 1990							
Instruction							
Faculty Compens.	$21,175,433	$16,549,705	$5,869,017	$3,469,652	$1,858,140	$3,636,018	$52,557,965
Research	422,223	417,767	-0-	-0-	-0-	32,340	872,330
Public Service	9,749	153,256	185,362	-0-	-0-	-0-	348,367
Plant	1,649,110	1,600,415	632,335	487,269	503,456	848,985	5,721,570
Total	$23,256,515	$18,721,143	$6,686,714	$3,956,921	$2,361,596	$4,517,343	$59,500,232
Fiscal 1991							
Instruction							
Faculty Compens.	$22,833,826	$17,939,852	$6,292,293	$3,691,043	$1,991,672	$4,040,853	$56,789,539
Research	434,472	430,171	-0-	-0-	-0-	33,368	898,011
Public Service	9,752	158,026	191,600	-0-	-0-	-0-	359,378
Plant	1,769,805	1,717,084	680,122	523,477	530,508	894,606	6,115,602
Total	$25,047,855	$20,245,133	$7,164,015	$4,214,520	$2,522,180	$4,968,827	$64,162,530

Agency Summaries: A summary for each unit of the university system shows expenses by program and funding by source for each year of the 1991 biennium.

LEGISLATIVE ACTION

AGENCY: MONTANA STATE UNIVERSITY — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE Enrollment	9,287	9,476	9,476	0	9,476	9,476	0	189
Instruction	$23,896,970	$25,679,691	$25,867,443	$ 187,752	$27,490,718	$27,800,640	$309,922	8.25
Support	12,756,214	13,218,682	13,435,317	216,635	13,607,536	13,809,811	202,275	5.32
Research	597,742	710,259	608,957	(101,302)	710,463	621,154	(89,309)	1.88
Public Service	11,876	10,749	10,749	0	10,752	10,752	0	(9.49)
Plant Oper & Maint	5,502,691	5,760,299	5,965,963	205,664	5,989,211	6,059,443	70,232	8.42
Scholar & Fellow	1,070,456	1,188,665	1,188,665	0	1,188,665	1,188,665	0	11.04
Total Expenditures	$43,835,949	$46,568,345	$47,077,094	$ 508,749	$48,997,345	$49,490,465	$493,120	7.39
FUNDING								
General Fund	$27,787,146	$29,091,652	$29,504,251	$ 412,599	$32,394,678	$32,791,648	$396,970	6.18
Millage	5,081,359	4,642,923	4,642,923	0	4,632,133	4,632,133	0	(8.63)
Tuition And Fees	9,931,369	11,661,034	11,661,034	0	11,661,034	11,661,034	0	17.42
Indirect Costs	726,471	863,236	863,236	0	0	0	0	18.83
Other	309,604	309,500	405,650	96,150	309,500	405,650	96,150	31.02
Total Funding	$43,835,949	$46,568,345	$47,077,094	$ 508,749	$48,997,345	$49,490,465	$493,120	7.39

LEGISLATIVE ACTION

AGENCY: UNIVERSITY OF MONTANA

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE Enrollment	7,552	7,759	7,759	0	7,759	7,759	0	207
Instruction	$19,034,131	$19,690,173	$20,458,120	$767,947	$21,323,321	$21,721,904	$398,583	7.48
Support	10,472,740	10,731,185	10,811,720	80,535	11,048,816	11,218,387	169,571	3.24
Research	470,281	536,137	547,700	11,563	536,582	560,549	23,967	16.46
Public Service	165,754	183,132	187,488	4,356	183,288	192,370	9,082	13.11
Plant Oper & Maint	5,072,560	5,450,462	5,550,130	99,668	5,661,481	5,590,788	(70,693)	9.41
Scholar & Fellow	954,250	1,077,497	1,077,497	0	1,077,497	1,077,497	0	12.92
Total Expenditures	$36,169,716	$37,668,586	$38,632,655	$964,069	$39,830,985	$40,361,495	$530,510	6.81
FUNDING								
General Fund	$22,992,616	$22,760,260	$23,124,629	$364,369	$25,218,781	$25,343,592	$124,811	0.57
Millage	3,910,717	3,775,530	3,775,530	0	3,766,757	3,766,757	0	(3.46)
Tuition And Fees	8,832,019	10,696,947	10,696,947	0	10,696,947	10,696,946	(1)	21.12
Indirect Costs	358,800	281,349	281,349	0	0	0	0	(21.59)
Other	75,564	155,500	754,200	598,700	155,500	554,200	398,700	898.09
Total Funding	$36,169,716	$37,669,586	$38,632,655	$963,069	$39,837,985	$40,361,495	$523,510	6.81

LEGISLATIVE ACTION

AGENCY: EASTERN MONTANA COLLEGE — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE Enrollment	3,303	3,296	3,296	0	3,296	3,296	0	(7)
Instruction	$ 6,273,216	$ 6,889,638	$ 6,920,440	$ 30,802	$ 7,311,399	$ 7,383,269	$ 71,870	10.32
Support	4,489,342	4,887,482	4,919,862	32,380	4,897,856	4,965,505	67,649	9.59
Research	0	0	0	0	0	0	0	0.00
Public Service	248,996	246,653	260,178	13,525	249,869	262,042	12,173	4.49
Plant Oper & Maint	2,026,517	2,122,728	2,149,038	26,310	2,207,031	2,236,693	29,662	6.05
Scholar & Fellow	322,520	358,606	358,606	0	358,606	358,606	0	11.19
Total Expenditures	$13,360,591	$14,505,107	$14,608,124	$103,017	$15,024,761	$15,206,115	$181,354	9.34
FUNDING								
General Fund	$ 8,340,682	$ 8,968,452	$ 9,063,469	$ 95,017	$ 9,530,819	$ 9,704,171	$173,352	8.67
Millage	1,672,347	1,651,294	1,651,294	0	1,647,457	1,647,457	0	(1.26)
Tuition And Fees	3,292,873	3,817,485	3,817,485	0	3,817,485	3,817,487	2	15.93
Indirect Costs	47,180	38,876	38,876	0	0	0	0	(17.60)
Other	7,509	37,000	37,000	0	37,000	37,000	0	392.74
Total Funding	$13,360,591	$14,513,107	$14,608,124	$ 95,017	$15,032,761	$15,206,115	$173,354	9.34

LEGISLATIVE ACTION

AGENCY: NORTHERN MONTANA COLLEGE

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE Enrollment	1,551	1,631	1,631	0	1,631	1,631	0	80
Instruction	$3,926,710	$4,239,888	$4,509,513	$269,625	$4,466,100	$4,261,893	$(204,207)	14.84
Support	2,516,985	2,427,809	2,444,755	16,946	2,402,463	2,437,989	35,526	(2.87)
Research	0	0	0	0	0	0	0	0.00
Public Service	9,823	8,891	8,891	0	8,891	8,891	0	(9.49)
Plant Oper & Maint	1,076,366	1,119,421	1,135,280	15,859	1,164,197	1,197,407	33,210	5.47
Scholar & Fellow	253,839	314,000	314,000	0	314,000	314,000	0	23.70
Total Expenditures	$7,783,723	$8,110,009	$8,412,439	$302,430	$8,355,651	$8,220,180	$(135,471)	8.08
FUNDING								
General Fund	$5,500,609	$5,507,469	$5,609,899	$102,430	$5,759,149	$5,623,679	$(135,470)	1.99
Millage	771,852	775,403	775,403	0	773,602	773,602	0	0.46
Tuition And Fees	1,484,663	1,799,900	1,799,900	0	1,799,900	1,799,899	(1)	21.23
Indirect Costs	4,237	4,237	4,237	0	0	0	0	0.00
Other	22,362	23,000	223,000	200,000	23,000	23,000	0	897.23
Total Funding	$7,783,723	$8,110,009	$8,412,439	$302,430	$8,355,651	$8,220,180	$(135,471)	8.08

LEGISLATIVE ACTION

AGENCY: WESTERN MONTANA COLLEGE UNIVERSITY OF MONTANA — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE Enrollment	828	877	877	0	877	877	0	49
Instruction	$2,119,189	$2,262,893	$2,373,860	$110,967	$2,398,465	$2,324,056	$(74,409)	12.02
Support	1,400,878	1,411,776	1,422,357	10,581	1,404,954	1,427,118	22,164	1.53
Research	0	0	0	0	0	0	0	0.00
Public Service	0	0	0	0	0	0	0	0.00
Plant Oper & Maint	732,309	761,601	776,266	14,665	792,065	822,501	30,436	6.00
Scholar & Fellow	81,524	107,889	107,889	0	107,889	107,889	0	32.34
Total Expenditures	$4,333,900	$4,544,159	$4,680,372	$136,213	$4,703,373	$4,681,564	$(21,809)	(96.86)
FUNDING								
General Fund	$3,077,611	$3,104,691	$3,190,570	$ 85,879	$3,267,745	$3,245,938	$(21,807)	3.67
Millage	411,654	413,948	413,948	0	412,987	412,987	0	0.56
Tuition And Fees	815,918	998,141	998,141	0	998,141	998,139	(2)	22.33
Indirect Costs	3,900	2,879	2,879	0	0	0	0	(26.18)
Other	24,817	24,500	74,834	50,334	24,500	24,500	0	201.54
Total Funding	$4,333,900	$4,544,159	$4,680,372	$136,213	$4,703,373	$4,681,564	$(21,809)	(96.86)

LEGISLATIVE ACTION

AGENCY: MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 Legislature	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 Legislature	Fiscal 1991 Difference	FY 88-90 % Change
FTE Enrollment	1,582	1,578	1,578	0	1,578	1,578	0	(4)
Instruction	$4,120,786	$4,447,218	$4,464,467	$17,249	$4,879,550	$4,919,799	$ 40,249	8.34
Support	2,389,191	2,764,552	2,783,368	18,816	2,821,464	2,860,748	39,284	16.50
Research	47,185	50,262	51,369	1,107	50,351	52,451	2,100	8.87
Public Service	0	0	0	0	0	0	0	0.00
Plant Oper & Maint	1,422,857	1,479,771	1,506,331	26,560	1,538,962	1,594,486	55,524	5.87
Scholar & Fellow	261,752	285,255	285,255	0	285,255	285,255	0	8.98
Total Expenditures	$8,241,771	$9,027,058	$9,090,790	$63,732	$9,575,582	$9,712,739	$137,157	10.30
FUNDING								
General Fund	$5,352,707	$6,155,655	$6,219,387	$63,732	$6,742,615	$6,879,772	$137,157	16.19
Millage	1,016,271	790,902	790,902	0	789,064	789,064	0	(22.18)
Tuition And Fees	1,727,267	1,951,298	1,951,298	0	1,951,298	1,951,298	0	12.97
Indirect Costs	54,392	36,598	36,598	0	0	0	0	(32.71)
Other	91,134	92,605	92,605	0	92,605	92,605	0	1.61
Total Funding	$8,241,771	$9,027,058	$9,090,790	$63,732	$9,575,582	$9,712,739	$137,157	10.30

GENERAL APPROPRIATIONS ACT OF 1989 HOUSE BILL 100

HOUSE BILL NO. 100

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "THE GENERAL APPROPRIATIONS ACT OF 1989 FOR THE APPROPRIATION OF MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1991."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

Section 1. **Title.** This act may be cited as "The General Appropriations Act of 1989".

Section 2. **Definitions.** For the purposes of this act, unless otherwise stated, the following definitions apply:

(1) "Agency" means each state office, department, division, board, commission, council, committee, institution, university unit, or other entity or instrumentality of the executive branch, office of the judicial branch, or office of the legislative branch of state government.

(2) "Approving authority" means the governor or his designated representative for executive branch agencies; the chief justice of the supreme court for judicial branch agencies; appropriate legislative committees for legislative branch agencies; or the board of regents or its designated representative for the university system.

(3) "University system unit" means the office of the commissioner of higher education, university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college of the university of Montana at Dillon, the agricultural experiment station with central offices at Bozeman, the cooperative extension service with central offices at Bozeman, the forestry and conservation experiment station with central offices at Missoula, the bureau of mines and geology with central offices at Butte, the vocational-technical centers at Billings, Butte, Great Falls, Helena, and Missoula, or the fire services training school at Great Falls.

HB 100
Montana Legislative Council
REFERENCE BILL: Includes Free Conference Committee Report
Dated 4-19-89

Section 3. **Other funds to offset general fund.** The approving authority shall decrease the general fund appropriation of the agency by the amount of funds received from other sources in excess of the appropriation provided in this act unless such action is expressly contrary to state or federal law, rule, or contract or unless the approving authority certifies that the services to be funded by the additional funds are significantly different from those for which the agency has received a general fund appropriation. If the general fund appropriation of an agency is decreased pursuant to this section, the appropriation for the fund in which excess funds are received is increased in the same amount as the general fund is decreased.

Section 4. **Expenditure limit.** Expenditures may not exceed appropriations.

Section 5. **Budget requests.** (1) Sufficient funds are appropriated in this act to enable each agency to submit its 1993 biennial budget request to the budget director and the legislative fiscal analyst pursuant to the time schedule established in 17-7-112(1). If any agency fails to submit its final, complete budget proposal by the deadlines established in 17-7-112(1), the expenditure authority granted in this act must be reduced or rescinded by the budget director unless the agency director certifies that an emergency situation has precluded a timely budget presentation and the budget director approves an extension of the deadlines, not to exceed 30 days.

(2) Employees added through the appropriation of federal or state special revenues or proprietary funds in this act may not be included in the current level budget presented to the 1991 legislature if their continued employment requires general fund support.

Section 6. **Detailed budget information.** Within 2 days after submission of the preliminary executive budget to the legislative fiscal analyst, the budget director shall give the legislative fiscal analyst the preliminary expenditure recommendations by object of expenditure to the second level of detail and by funding source detailed by accounting entity. Within 1 day after the legislative finance committee presents the budget analysis to the 52nd legislature, the budget director and the legislative fiscal analyst shall mutually exchange expenditure recommendations by object of expenditure to the second level of detail and by funding sources detailed by accounting entity. This final information must be filed in the respective offices and available to members of the legislature and the general public.

Section 7. **Operating budget.** (1) Expenditures by a state agency must be made in substantial compliance with an

operating budget approved by an approving authority as defined in 17-7-401. Substantial compliance means that no category in the approved operating budget may be exceeded by more than 5%, provided that no funds appropriated for personal services or indicated in legislative intent as having been appropriated for personal services may be expended under any other category EXCEPT IF THE APPROVING AUTHORITY APPROVES A SPECIFIC AGENCY REQUEST JUSTIFIED ON THE BASIS OF DOCUMENTED COST SAVINGS OR EXCEPT AS SPECIFIED IN SUBSECTION (3). THE APPROVING AUTHORITY SHALL SUBMIT ITS ANALYSIS OF THE DOCUMENTED COST SAVINGS TO THE LEGISLATIVE AUDITOR. WAGES AND FRINGE BENEFITS MUST BE SEPARATELY DOCUMENTED FROM OTHER COST SAVINGS. THE LEGISLATIVE AUDIT COMMITTEE SHALL REVIEW THE APPROVING AUTHORITY'S ANALYSIS AND REPORT TO THE 52ND LEGISLATURE ON POTENTIAL LONG-TERM BUDGET IMPACTS. The expenditure of money appropriated by this act is contingent upon approval of the operating budget by August 1 of each fiscal year. An approved original operating budget must comply with legislative intent as expressed in state law and legislative statements of intent. ~~The personal services category as specified in subsection (2) may in no approved operating budget include an amount less than the amount included in the personal services detail included in the narrative that accompanies this act plus money appropriated to fund the state employee pay plan.~~ Legislative intent for the general appropriations act includes the narrative that accompanies this act.

(2) The operating budget for money appropriated by this act must be separate from the operating budget for money appropriated by any other act except any act appropriating money specifically to fund the state pay plan or any portion thereof. Each operating budget must include expenditures for each agency program, detailed at least by the categories of personal services, operating expenses, equipment, benefits and claims, grants, transfers, and local assistance. In no case may the personal services category detail include an amount less than the amount indicated in the personal services detail included in the narrative that accompanies this act plus money appropriated to fund the state employee pay plan, EXCEPT AS SPECIFIED IN SUBSECTION (3). Each agency shall record its operating budgets and any approved changes on the statewide budget and accounting system. Forms used for changing an operating budget must reference the current fully completed and approved operating budget, show the proposed changes to the operating budget, and reference any other pending documents to change the operating budget.

(3) IF AN AGENCY IS UNABLE TO RECRUIT AND HIRE PROFESSIONAL POSITIONS FUNDED IN THE APPROPRIATION, FUNDS

APPROPRIATED FOR PERSONAL SERVICES MAY BE USED TO FUND AN AGREEMENT OR CONTRACT TO PROVIDE SERVICES THAT ARE IDENTICAL TO THOSE SERVICES PERFORMED BY AN AUTHORIZED POSITION. THE AMOUNT USED FOR THE AGREEMENT OR CONTRACT MAY NOT BE MORE THAN THE AMOUNT AUTHORIZED FOR THE POSITION LESS ANY VACANCY SAVINGS REQUIREMENT. THE AGENCY DIRECTOR SHALL CERTIFY TO THE APPROVING AUTHORITY OR HIS DESIGNATED REPRESENTATIVE THAT THE AGENCY IS UNABLE TO FILL THE POSITION AND THAT THE SERVICES PERFORMED BY THAT POSITION ARE NECESSARY.

Section 8. **Program transfers.** Unless prohibited by this act or by statute, the approving authority may approve agency requests to transfer appropriations between programs within each fund type within each fiscal year. The transfer amount may not exceed 5% of the total agency appropriation. The transfer may not include money appropriated for personal services. All program transfers must be completed within the same fund from where the transfer originated. A request for a transfer accompanied by a justification explaining the reason for the transfer must be submitted by the requesting agency to the approving authority and the legislative fiscal analyst. Upon approval of the transfer, the approving authority shall inform the fiscal analyst of the approved transfer and the justification for the transfer.

SECTION 9. REORGANIZATION. IF ANY AGENCY REORGANIZES DURING THE 1991 BIENNIUM, THE AGENCY SHALL PRESENT FOR FISCAL 1990 AND 1991 BY PROGRAM:

(1) A RESTATEMENT OF ~~FISCAL 1988, 1989, AND ANY 1991 BIENNIUM DATA SO THAT~~ THE FTE RECORDS AND FINANCIAL RECORDS ~~BY PROGRAM ARE~~ CONSISTENT WITH THE REORGANIZED STRUCTURE; AND

(2) A COMPARISON OF THE ORIGINAL OPERATING BUDGET TO THE REVISED OPERATING BUDGET WHICH REFLECTS THE REORGANIZATION. REORGANIZATION MEANS TRANSFERS OF FUNCTIONS OR FIVE OR MORE FTE FROM ONE PROGRAM TO ANOTHER.

Section 10. **Reduction of appropriation.** In the event of a shortfall in revenue, the governor may reduce any or all appropriations. No appropriation may be reduced by more than 15%. The following appropriations may not be reduced:

(1) payment of interest and retirement of state debt;

(2) the legislative branch;

(3) the judicial branch;

(4) school foundation program, including special education; or

(5) salaries of elected officials during their terms of office.

Section 11. **Access to records of contracting entities.** (1) Unless a contract made with a nonstate entity complies with subsection (2), no money appropriated by this act may be expended for such contract. Such contract to provide a service to members of the public on behalf of the state may be either written or oral.

(2) A contract described in subsection (1) must contain a provision to allow access, for legislative audit and fiscal analysis, to the records of the contracting nonstate entity sufficient to determine whether the parties to the contract have complied with the terms of the contract. Such an audit and fiscal analysis require access to records necessary to carry out the legislative audit and analysis functions set out in Title 5, chapters 12 and 13.

(3) The state may unilaterally terminate any contract upon refusal by the contracting nonstate entity to allow access to its records necessary to carry out such a legislative audit or analysis.

SECTION 12. COAL SEVERANCE TAX INCOME FUND. THE COAL SEVERANCE TAX INCOME FUND, UNLESS APPROPRIATED BY ANOTHER ACT OF THE 51ST LEGISLATURE, IS APPROPRIATED TO THE GENERAL FUND FOR USE DURING THE BIENNIUM ENDING JUNE 30, 1991.

Section 13. **Severability.** If any section, subsection, sentence, clause, or phrase of this act is for any reason held unconstitutional, such decision does not affect the validity of the remaining portions of this act.

~~SECTION 13. INSTRUCTION TO LEGISLATIVE FISCAL ANALYST. THE OFFICE OF THE LEGISLATIVE FISCAL ANALYST IS INSTRUCTED TO REDUCE ALL GENERAL FUND APPROPRIATIONS IN SECTION A, GENERAL GOVERNMENT AND HIGHWAYS OF PART II, AS AMENDED BY SECTION 5, IN FISCAL YEAR 1990 AND 5% IN FISCAL YEAR 1991.~~

Section 14. **Audit costs.** Amounts appropriated for audits may be transferred between fiscal years. Agencies shall reserve enough cash in each fund to pay for audit costs and shall to the maximum extent allowable under federal regulations charge audit costs to federal funds.

Section 15. **Totals not appropriations.** The totals shown in this act are for informational purposes only and are not appropriations.

Section 16. **Appropriations.** The following money is appropriated for the respective fiscal years:

A. GENERAL GOVERNMENT AND HIGHWAYS

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
LEGISLATIVE AUDITOR										
1. Operations										
	1,031,677	~~1,835,888~~			~~2,866,685~~	1,009,581	~~1,851,636~~			~~2,861,217~~
		~~1,856,429~~			~~2,888,106~~		~~1,874,666~~			~~2,884,247~~
		1,035,000			2,066,677		1,051,636			2,061,217
2. Lottery Consulting Services										
		16,000			16,000					
Total										
	1,031,677	~~1,851,888~~			~~2,882,685~~	1,009,581	~~1,851,636~~			~~2,861,217~~
		~~1,872,429~~			~~2,904,106~~		~~1,874,666~~			~~2,884,247~~
		1,051,000			2,082,677		1,051,636			2,061,217

Item 2 is contingent upon the state lottery implementing an automated lotto-type game.

Item 2 is a biennial appropriation.

LEGISLATIVE FISCAL ANALYST										
1. Operations										
	753,169				753,169	831,482				831,482
2. Consultants										
	20,000				20,000					
3. Intern Analyst										
	12,675				12,675					

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
4. Committee Meeting Days	13,600				13,600					
5. Data Processing	15,000				15,000					
Total	814,444				814,444	831,482				831,482

Items 2 through 5 are biennial appropriations.

LEGISLATIVE COUNCIL										
1. Operations	1,732,382				1,732,382	2,103,582				2,103,582
2. Reimbursable Activities		687,035			687,035					
3. NCSL Dues and Travel	119,701				119,701					
4. CSG Dues and Travel	109,509				109,509					
5. Districting and Apportionment Committee	6,287				6,287					
6. Interim Studies	45,600				45,600					

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
7. Statewide Issues										
	10,000				10,000					
8. Revenue Oversight Committee										
	30,000				30,000					
9. Administrative Code Committee										
	14,000				14,000					
10. Five-State Biennial Conference										
	16,498				16,498					
11. Forestry Task Force										
	~~8,888~~				~~8,888~~					
	~~16,588~~				~~16,588~~					
	8,000				8,000					
12. Coal Tax Subcommittee										
		12,000			12,000					
13. Montana-Western Canadian Provinces Boundary Advisory Committee										
	2,000				2,000					
Total										
	~~2,099,977~~	699,035			~~2,799,012~~	2,103,582				2,103,582
	~~2,108,477~~				~~2,807,512~~					
	2,093,977				2,793,012					

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
Items 2 through 13 are biennial appropriations. THE LEGISLATIVE COUNCIL MAY APPROVE TRANSFERS OF FUNDS BETWEEN ITEMS 3 THROUGH 13. SUCH TRANSFERS MAY NOT EXCEED 15% OF THE AMOUNT IN EACH ITEM.										
CONSUMER COUNSEL										
1. Operations										
	763,903				763,903		777,471			777,471
2. Contract Services										
	100,000				100,000		100,000			100,000
Total										
	863,903				863,903		877,471			877,471
Item 2 is for expert witness fees for unanticipated cases.										
ENVIRONMENTAL QUALITY COUNCIL										
1. EQC Program										
	244,838				244,838	241,535				241,535
2. Water Policy Committee										
	26,200				26,200					
Total										
	244,838	26,200			271,038	241,535				241,535
Item 2 is a biennial appropriation.										
JUDICIARY										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
1. Supreme Court Operations										
a. Operations										
~~1,341,157~~				~~1,341,157~~	~~1,328,874~~				~~1,328,874~~
~~1,368,857~~				~~1,366,857~~	~~1,356,374~~				~~1,356,374~~
1,380,341				1,380,341	1,386,056				1,386,056
b. Audit										
16,518				16,518					
2. Boards and Commissions										
201,727				201,727	205,862				205,862
3. Law Library										
690,798				690,798	681,172				681,172
4. District Court Operations										
~~2,229,691~~				~~2,229,691~~	~~2,237,698~~				~~2,237,698~~
2,294,358				2,294,358	2,360,138				2,360,138
5. Water Courts										
a. Operations										
	421,654			421,654		412,220			412,220
b. Audit										
	1,835			1,835					
Total										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	~~4,479,891~~	423,489			~~4,983,388~~	~~4,453,598~~	412,220			~~4,865,818~~
	~~4,586,791~~				~~4,930,280~~	~~4,481,898~~				~~4,893,318~~
	4,583,742				5,007,231	4,633,228				5,045,448
GOVERNOR'S OFFICE										
1. Executive Office Program										
a. Operations										
	~~954,732~~	~~50,684~~	20,000		~~1,825,336~~	~~943,428~~	~~18,888~~	20,000		~~973,428~~
		~~18,888~~			~~984,732~~					
	~~1,818,623~~	~~50,684~~			~~1,881,227~~	~~999,588~~				~~1,829,588~~
	967,598				~~1,838,282~~	956,208				~~986,288~~
		120,604			1,108,202		80,000			1,056,208
b. Audit										
	12,867				12,867					
2. Mansion Maintenance										
	70,442				70,442	57,495				57,495
3. Air Transportation										
	~~93,879~~				~~93,879~~	~~95,815~~				~~95,815~~
	~~493,879~~				~~493,879~~					
	~~269,241~~				~~269,241~~	~~269,241~~				~~269,241~~
	353,013				353,013	353,013				353,013
4. Office of Budget and Program Planning										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
a. Operations										
	~~723,874~~				~~723,874~~	~~793,892~~				~~793,892~~
	754,390				754,390	824,403				824,403
b. Audit										
	17,987				17,987					
5. Pacific Northwest Electric Power and Conservation Planning Council										
			382,914		382,914			383,822		383,822
6. Lieutenant Governor										
	204,446				204,446	204,077				204,077
7. Citizens' Advocate Office										
	66,853				66,853	66,760				66,760
8. Board of Visitors										
	129,765		40,000		169,765	130,060		40,000		170,060
9. Montana Statehood Centennial Office										
		558,972			~~558,972~~		28,891			28,891
	~~150,000~~				~~708,972~~					
	50,000				608,972					
Total										
	~~2,274,845~~	609,576	442,914		~~3,327,335~~	~~2,298,719~~	~~38,891~~	443,822		~~2,773,432~~
	~~2,674,845~~	~~568,972~~			~~3,686,731~~					

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	~~2,686,614~~	~~689,576~~			~~3,739,184~~	~~2,551,616~~				~~3,834,329~~
	~~2,727,361~~				~~3,779,851~~	2,592,016				~~3,874,729~~
	2,627,361	679,576			3,749,851		108,891			3,144,729

Item 9 includes a $150,000 donation from Burlington Northern. The agency shall allocate at least $75,000 of the donation to the centennial memory project as restricted by the donor. The remaining funds may be spent as determined by the statehood centennial commission.

ITEM 9 INCLUDES $150,000 FROM THE GENERAL FUND. IT IS THE INTENT OF THE LEGISLATURE THAT ALL FUNDS REMAINING IN THE CENTENNIAL STATE SPECIAL REVENUE ACCOUNT AT THE END OF FISCAL 1991 REVERT TO THE GENERAL FUND.

~~OF ITEM 3, $350,000 MAY BE EXPENDED ONLY FOR A DIFFERENT AIRPLANE FOR THE GOVERNOR;~~

THE GOVERNOR'S OFFICE IS HEREBY AUTHORIZED TO PURCHASE ~~A TURBINE POWERED~~ AN AIRCRAFT. THE COST OF THE AIRCRAFT, INCLUDING ALL INTEREST AND FINANCE CHARGES, MAY NOT EXCEED ~~$1,536,600~~ $715,000.

SECRETARY OF STATE

1. Records Management							
a. Operations							
	~~508,764~~	~~386,892~~	895,656	~~520,828~~	~~386,898~~		907,726
	895,656	0		907,726	0		
b. Audit							
	10,362		10,362				
2. Administrative Code							
a. Operations							
		164,352	164,352		160,811		160,811

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
b. Audit										
		2,920			2,920					
Total										
	~~519,126~~	~~554,164~~			1,073,290	~~526,628~~	~~547,789~~			1,068,537
	906,018	167,272				907,726	160,811			

In the event that a cost-saving in-house data processing system for UCC transactions is not online by July 1, 1989, as scheduled, additional spending authority may be requested through a budget amendment.

COMMISSIONER OF POLITICAL PRACTICES

1. Administration										
	103,502				103,502	106,614				106,614
2. Audit										
	2,214				2,214					
Total										
	105,716				105,716	106,614				106,614

The commissioner of political practices is to charge a fee for the Summary of Contributions/Expenditures for Candidates/Committees booklet that is sufficient to recover the costs of printing and distribution of the booklet. Public libraries are exempt from the charge for the books. The proceeds from the sale of the booklet as well as the fees collected for reimbursement of copier charges must be deposited in the general fund.

STATE AUDITOR

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
1. Central Management Division										
a. Operations										
	222,232				222,232	221,157				221,157
b. Audit										
	2,811				2,811					
2. Audit Division										
a. Operations										
	~~582,691~~	376,189			~~958,880~~	~~528,769~~	393,155			~~921,324~~
	625,257				1,001,446	604,640				997,795
b. Audit										
	30,383	24,904			55,287					
c. P/P/P Online Conversion										
	204,000				204,000					
d. Warrant System Remodeling										
	41,989				41,989	1,000				1,000
e. Warrant System Processing Costs										
	82,500				82,500	82,500				82,500
F. UNIFORM UNIVERSITY PAYROLL SYSTEM										
	25,000				25,000					
3. Insurance Division										
a. Operations										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
		~~878,957~~			~~878,957~~		~~874,158~~			~~874,158~~
	~~931,192~~	0			~~931,192~~	~~924,824~~	0			~~924,824~~
	908,371				908,371	902,244				902,244
b. Audit										
		~~9,298~~			9,298					
	9,298	0								
4. Securities Division										
a. Operations										
		~~272,740~~			272,740		~~271,671~~			271,671
	272,740	0				271,671	0			
b. Audit										
		~~3,166~~			3,166					
	3,166	0								
c. Computer System										
		~~40,000~~			40,000					
	40,000	0								
Total										
	~~1,166,686~~	~~1,685,254~~			~~2,771,868~~	832,826	~~1,538,976~~			~~2,371,802~~
	~~2,498,568~~	401,093			~~2,891,661~~	~~2,184,989~~	393,155			~~2,498,144~~
	2,467,747				2,868,840	2,083,212				2,476,367

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
Item 4c is a biennial appropriation.										
The appropriation in item 4c is for a computer system. The agency shall follow the system design recommendation approved by the information services division of the department of administration.										
DEPARTMENT OF JUSTICE										
1. Legal Services										
a. Operations										
	905,795				905,795	888,649				888,649
b. Case-Related Travel										
	9,500				9,500	9,500				9,500
2. Indian Legal Jurisdiction										
a. Operations										
	67,536				67,536	67,573				67,573
b. Legal Fees and Expert Witness										
	100,000				100,000					
3. County Prosecutor Services										
	137,909				137,909	138,135				138,135
4. Agency Legal Services										
				511,823	511,823				559,432	559,432
5. Driver Services Bureau										
	~~2,144,817~~	~~259,782~~	203,131		2,607,730	~~2,129,874~~	~~259,782~~	182,424		2,571,280
	2,333,599	71,000				2,317,856	71,000			

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
6. Highway Patrol										
a. Operations										
	~~9,489,818~~				~~9,489,818~~		~~9,381,366~~			~~9,381,368~~
	~~9,439,818~~				~~9,439,818~~					
	9,592,582				9,592,582		9,464,124			9,464,124
b. Cadets										
	144,291				144,291		87,605			87,605
c. Communications Bureau										
	634,242				634,242		650,837			650,837
d. MCSAP										
	61,600		371,712		433,312		58,600		353,599	412,199
e. 65 MPH Enforcement										
			142,748		142,748				143,568	143,568
7. Vehicle Registration										
	~~2,178,819~~				2,170,819		~~2,143,799~~			2,143,799
	2,170,819	0				2,143,799	0			
8. Law Enforcement Services Administration										
	81,252				81,252	80,947				80,947
9. County Attorney Payroll										
	952,316				952,316	952,672				952,672
10. Law Enforcement Academy										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	~~418,888~~	~~412,882~~	90,000		612,802	~~418,888~~	~~423,413~~			533,413
	522,802	0				533,413	0			
11. Fire Marshal										
	342,959				342,959	329,858				329,858
12. Identification Program										
	236,704				236,704	239,231				239,231
13. Criminal Investigators										
A. OPERATIONS										
	~~248,884~~	46,314	32,000		~~319,198~~	~~229,869~~	35,971	32,000		~~297,840~~
	188,069				266,383	188,230				256,201
B. GENERAL INVESTIGATOR										
	52,815				52,815	40,839				40,839
14. Special Investigation -- East										
			385,865		305,065			385,278		305,278
		305,065	0				305,278	0		
15. Special Investigation -- West										
		~~115,815~~	345,043		460,058		~~116,424~~	~~349,272~~		465,696
							~~232,848~~	232,848		
	115,015	0				232,848	0			
16. Central Services										
a. Operations										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	~~93,487~~	~~251,628~~		7,667	352,774	~~92,859~~	~~251,936~~		7,768	351,763
	166,907	178,200				165,870	178,125			
b. Audit										
	~~7,489~~	~~20,742~~		613	28,238					
	13,359	14,266								
17. Data Processing Program										
		~~938,846~~			938,846		~~936,843~~			936,843
	669,936	268,910				671,864	264,979			
18. Extradition and Transfer of Prisoners										
	146,869				146,869	146,875				146,875
19. Forensic Science Division										
		~~913,924~~	60,000		~~973,924~~		~~862,849~~	48,000		~~910,849~~
	777,250	188,674			1,025,924	726,725	189,224			963,949
Total										
	~~5,577,511~~	~~15,458,615~~	~~1,549,699~~	520,103	~~23,105,928~~	~~5,413,642~~	~~15,208,619~~	~~1,414,141~~	567,200	~~22,603,602~~
		~~15,488,615~~			~~23,855,928~~		~~15,325,843~~	~~1,297,717~~		
	9,991,411	11,505,144	1,244,634		23,261,292	9,874,884	11,305,743	992,439		22,740,266

Items 2b and 16b are biennial appropriations.

Item 6c is to operate the regional dispatch centers. The department of justice shall implement a cost allocation plan for the purpose of recovering the operational cost of regional dispatch centers from all user agencies on an

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

equitable basis. It is intended that after fiscal 1989 the highways state special revenue account should be reimbursed for services provided to user agencies that are not funded by the highways state special revenue account. Revenues collected as reimbursement from user agencies for operational costs of the regional dispatch centers must be deposited in the highways state special revenue account and must equal at least 5% of the total amount of item 6c.

The work of the workers' compensation fraud investigator position must include investigations of both employee and employer fraud cases.

HIGHWAY TRAFFIC SAFETY

1. Operations								
200,000	70,750	1,103,557		1,374,307	200,000	72,000	1,103,355		1,375,355
2. Audit								
	1,250	1,250		2,500					
Total									
200,000	72,000	1,104,807		1,376,807	200,000	72,000	1,103,355		1,375,355

BOARD OF CRIME CONTROL

1. Operations								
380,742	57,374	142,500		580,616	380,592	55,905	142,500		578,997
2. Audit								
9,522				9,522					
3. Juvenile Justice Pass-Through Grants								
		242,500		242,500			242,500		242,500

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
4. Bureau of Justice Assistance Pass-Through Grants			396,000		396,000			396,000		396,000
5. Victims' Assistance Pass-Through Grants			224,000		224,000			224,000		224,000
6. Drug Enforcement/Education Pass-Through Grants			1,667,000		1,667,000			1,667,000		1,667,000
7. Crime Victims' Compensation		257,000	118,000		375,000		375,000			375,000
8. Tuition/Assistance Fees	45,000				45,000	45,000				45,000
Total	435,264	314,374	2,790,000		3,539,638	425,592	430,905	2,672,000		3,528,497

Items 2 through 6 are biennial appropriations.

All remaining appropriation authority for the 1989 biennium federal pass-through grant authority is authorized to continue into fiscal 1990 and fiscal 1991.

The board of crime control shall charge tuition and fees sufficient to reimburse the general fund for costs associated with the juvenile justice training program and for technical assistance provided to local law enforcement agencies as appropriated in item 8. The tuition and fees collected are to be deposited in the general fund.

DEPARTMENT OF REVENUE

1. Director's Office

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
a. Operations										
	304,459	84,235			388,694	307,942	84,243			392,185
b. Audit										
	80,940			26,979	107,919					
c. Legal Bureau										
	230,418			51,786	282,204	230,552			51,787	282,339
2. Centralized Services										
	~~835,799~~		6,570		~~842,363~~	~~831,470~~		6,571		~~838,041~~
	797,557				804,127	754,999				761,570
3. Data Processing Division										
	1,029,022			440,900	1,469,922	1,035,436			440,912	1,476,348
4. Investigations and Enforcement Division										
a. Administration										
	21,964	12,154	34,763	8,356	77,237	22,608	12,176	34,203	8,370	77,357
b. Investigations Program										
	32,857	243,141	133,284	262,855	672,137	32,692	241,921	132,692	261,536	668,841
~~c. Child Support Enforcement~~										
	~~548,366~~		~~1,883,947~~		~~1,624,313~~	~~533,668~~		~~1,870,928~~		~~1,604,588~~
5. Income and Miscellaneous Tax Division										
	3,168,446	~~151,291~~			~~3,319,737~~	3,125,142	~~158,964~~			~~3,276,186~~
		160,476			3,328,922		160,137			3,285,279

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
6. Natural Resources and Corporation Tax Division										
	1,174,372	60,992	143,252		1,378,616	1,177,682	60,999	143,271		1,381,952
7. Property Assessment Division										
a. Elected Assessors										
	1,503,742				1,503,742	1,504,868				1,504,868
b. Appraisers and Nonelected Assessors										
	~~7,535,127~~				~~7,535,127~~	~~7,535,631~~				~~7,535,631~~
	7,628,127				7,628,127	7,628,631				7,628,631
c. Property Assessment -- Administration										
	531,043				531,043	531,197				531,197
d. Property Assessment -- Helena										
	1,120,189				1,120,189	1,032,065				1,032,065
8. Motor Fuels Tax Division										
		658,582			658,582		646,407			646,407
Total										
	~~18,108,758~~	~~1,218,595~~	~~1,481,816~~	790,876	~~21,511,825~~	~~17,900,945~~	~~1,196,718~~	~~1,387,665~~	762,605	~~21,247,925~~
	~~17,590,136~~		317,869		~~19,849,276~~	~~17,298,814~~		316,737		~~19,566,866~~
	17,623,136	1,219,580			19,951,461	17,383,814	1,205,883			19,669,039

Liquor division proprietary funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor operation are appropriated. During the 1991 biennium, the division shall attempt to return at least 10% of

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

net sales. Net sales are gross sales less discounts and all taxes collected. The division shall limit operational expenses of the liquor merchandising system to not more than 15% of net sales. Operational expenses may not include product costs, freight charges, expenses allocable to other divisions, or licensing bureau expenses.

The department of revenue shall provide its proposed reappraisal plan for the fourth reappraisal cycle, scheduled to commence January 1, 1993, to the 52nd legislature. In addition to the content requirements listed in 15-7-111, the proposed plan must, at a minimum, include:

(1) any changes proposed by the department to the property revaluation process described in Title 15, chapter 7;

(2) a list of all tasks necessary to accomplish reappraisal;

(3) the estimated time necessary for each task;

(4) the estimated resources for each year of the reappraisal cycle necessary to complete reappraisal on a timely basis and all supporting assumptions and documentation used to develop the cost estimate.

The 1993 biennium budget request submitted by the department of revenue, property assessment division, must clearly identify, by year, the costs necessary to complete the third reappraisal cycle and the costs necessary to implement the fourth reappraisal cycle.

DEPARTMENT OF ADMINISTRATION

1. Director's Office										
	259,953		60,000		319,953	261,619			59,864	321,483
2. Architecture and Engineering Division										
a. Operations										
	565,743		566,926		1,132,669		571,124		571,125	1,142,249
b. Audit										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
		1,183			1,183					
3. Procurement and Printing Division										
a. Publications and Graphics Bureau -- Purchasing and Print Coordinator										
i. Operations				75,372	75,372				75,898	75,898
ii. Private Vendor Pass Through				3,284,376	3,284,376				3,754,862	3,754,862
b. Publications and Graphics Bureau -- Operations				1,073,654	1,073,654				1,244,955	1,244,955
c. Publications and Graphics Bureau -- Administration										
i. Operations				466,360	466,360				482,267	482,267
ii. Photocopy Pool Pass Through				315,000	315,000				315,000	315,000
iii. Audit				9,692	9,692					
d. Property and Supply Bureau										
i. Operations				3,177,169	3,177,169				3,483,346	3,483,346
ii. Audit				6,380	6,380					

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
e. Purchasing Bureau										
	435,519				435,519	413,764				413,764
4. Information Services Division										
a. Resource Management Administration Program										
i. Operations										
				309,367	309,367				308,986	308,986
ii. Audit										
				33,535	33,535					
III. UNIFORM UNIVERSITY PAYROLL SYSTEM										
	625,000			625,000	1,250,000					
b. Central Computer Operations Program										
				~~5,548,691~~	~~5,548,691~~				~~5,635,886~~	~~5,635,886~~
				~~6,242,912~~	~~6,242,912~~				~~6,330,836~~	~~6,330,836~~
				6,228,691	6,228,691				6,315,806	6,315,806
c. Information Center Program										
				523,597	523,597				524,470	524,470
d. Systems Development Program										
i. Operations										
				872,242	872,242				833,862	833,862
ii. Contract Programming										
				200,000	200,000					

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
e. Telecommunications										
i. Operations				7,990,881	7,990,881				8,222,521	8,222,521
ii. Audit				17,484	17,484					
f. 911 Emergency Service				74,900	74,900				74,900	74,900
5. General Services Division										
a. Operations										
	379,244			3,321,658	3,700,902	381,567			3,347,328	3,728,895
b. Audit				6,309	6,309					
6. Mail and Management Program										
a. Operations										
				1,330,689	1,330,689				1,376,529	1,376,529
b. Audit				2,484	2,484					
7. Treasury Central Services Division										
a. Operations										
	~~1,822,439~~			30,748	~~1,853,187~~	~~1,815,158~~			30,886	~~1,846,044~~
	408,337				439,085	409,113				439,999

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
b. Audit										
~~32,389~~				~~32,389~~						
7,405				7,405						
8. ACCOUNTING DIVISION										
A. OPERATIONS										
653,077				653,077	645,005					645,005
B. AUDIT										
24,904				24,904						
8 9. Personnel Division										
a. Personnel Program										
~~867,647~~				~~867,647~~	~~869,735~~					~~869,735~~
~~747,122~~				~~747,122~~	~~748,823~~					~~748,823~~
867,647				867,647	869,735					869,735
b. Group Benefits Program										
i. Operations										
27,225			~~307,648~~	~~334,865~~	31,284			~~276,385~~		~~307,669~~
			319,405	346,630				288,150		319,434
ii. Audit										
			568	568						
c. Training Program										
i. Operations										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
				181,246	181,246				181,946	181,946
ii. Audit										
				364	364					
9 10. Tort Claims Division										
a. Operations										
				3,050,950	3,050,950				3,034,518	3,034,518
b. Audit										
				9,416	9,416					
~~8~~ 11. Workers' Compensation Court										
a. Operations										
		305,487			305,487		302,936			302,936
b. Audit										
		647			647					
~~1~~ 12. State Tax Appeal Board										
a. State Board Operations										
	210,883				210,883	209,465				209,465
b. County Board Operations										
	207,977				207,977	208,751				208,751
~~2~~ 13. Public Employees' Retirement Division										
a. Operations										
				~~835,161~~	~~835,161~~				739,168	739,168

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
				850,161	850,161					
b. Audit										
				32,791	32,791					
~~13~~ 14. Teachers' Retirement System										
a. Operations										
				~~447,895~~	~~447,895~~				~~433,275~~	~~433,275~~
				469,868	469,868				442,781	442,781
b. Audit										
				17,987	17,987					
Total										
	~~3,443,196~~	873,060		~~34,188,732~~	~~38,496,988~~	~~3,391,343~~	874,060		~~35,807,897~~	~~39,273,300~~
	~~3,322,671~~				~~38,376,469~~	~~3,278,431~~				~~39,152,388~~
	4,107,171			~~35,569,491~~	~~40,549,722~~	3,430,303			~~35,724,198~~	~~40,828,561~~
				35,555,270	40,535,501				35,709,168	40,013,531

The appropriation in item 2a in the proprietary column is appropriated from the capital projects fund.

Item 4dii is a biennial appropriation for contract programming.

ITEM 4AIII IS A BIENNIAL APPROPRIATION FOR THE STUDY AND IMPLEMENTATION OF A UNIFORM PAYROLL, PERSONNEL, AND POSITION CONTROL SYSTEM FOR THE MONTANA UNIVERSITY SYSTEM. THIS APPROPRIATION INCLUDES 2.0 FTE SYSTEMS DEVELOPMENT POSITIONS TO CONDUCT THE STUDY AND IMPLEMENT THE UNIFORM PAYROLL, PERSONNEL, AND POSITION CONTROL SYSTEM. THIS ORIGINAL OPERATIONAL PLAN IS TO BE PRESENTED TO THE LEGISLATIVE FINANCE COMMITTEE BY AUGUST 1, 1989, FOR REVIEW. ANY REVISED

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

OPERATIONAL PLAN MUST ALSO BE PRESENTED FOR REVIEW. THE POSTSECONDARY STUDY COMMITTEE SHALL MONITOR THE IMPLEMENTATION OF THE UNIFORM PAYROLL, PERSONNEL, AND POSITION CONTROL SYSTEM.

Item 4b includes 2.0 FTE data entry operators, grade 7, step 5, that are used to input data on the P/P/P system. These FTE may not be included in the 1993 biennium current level budget submitted by the department of administration.

The appropriation in item 5a in the proprietary column includes $58,801 in fiscal 1990 and $58,801 in fiscal 1991 from the capital projects fund.

In item 5, the department may charge a maximum of $3.17 per square foot in fiscal 1990 and $3.19 per square foot in fiscal 1991. At the end of fiscal 1991, the maximum working capital the department may carry over is $320,000.

In item 6, the department may charge a maximum overhead rate of 7% in fiscal 1990 and 6% in fiscal 1991.

The amounts listed in items ~~12~~ 13 and ~~13~~ 14 are appropriated from the pension trust fund.

The department may expend available self-insurance reserves and revenues to pay any deficit that may be incurred for property or liability insurance premiums due and payable through June 30, 1991.

Funds remaining in the capitol land grant account of the capital projects fund, after the appropriation has been met for the general services division of the department of administration, are appropriated to the long-range building debt service fund for the payment of principal and interest on bonds issued for public buildings at the capitol for executive, legislative, and judicial purposes, as outlined in section 12 of The Enabling Act. This appropriation is for the biennium ending June 30, 1991, and is not to exceed the annual debt service required on these bonds.

The department of administration shall develop a cost recovery plan for proprietary operations. It is the intent of the legislature that the cost of each service provided should be fully recovered through the rate charged for each service. The plans must be submitted with the department's 1993 biennium budget request and must, at a minimum, include the following information:

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

(1) identification of the goods or services, or both, that are provided by the program, how the service level is measured, and the anticipated service level for the 1993 biennium;

(2) the proposed rates by service for each year of the 1993 biennium;

(3) a description and explanation of how rates are established, including identification of all relevant costs, service levels, personnel efficiency ratios, and all other assumptions used in rate development.

The following operations shall develop a cost recovery plan as described above:

(1) publications and graphics;

(2) property and supply;

(3) information services division;

(4) central mail.

~~THE INFORMATION SERVICES DIVISION SHALL TRANSFER FROM ITS PROPRIETARY FUND APPROPRIATION $14,221 IN FISCAL 1990 AND $15,038 IN FISCAL 1991 TO THE OFFICE OF THE LEGISLATIVE AUDITOR TO PAY FOR AUDITS OF EDP PROGRAMS. ISD SHALL CHARGE A SURCHARGE ON BILLINGS FOR SERVICES TO STATE AGENCIES SUFFICIENT TO COLLECT THE AMOUNT OF MONEY TO BE TRANSFERRED.~~

CONTINGENT ON PASSAGE AND APPROVAL OF HB 234, THE PUBLIC EMPLOYEES' RETIREMENT DIVISION IS APPROPRIATED $4,480 IN PENSION TRUST FUNDS FOR FISCAL 1990 ONLY.

DEPARTMENT OF HIGHWAYS

1. General Operations

a. Operations	6,219,196	1,936,000	8,155,196	6,170,406	1,895,467	8,065,873
b. Audit	69,250		69,250			

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
2. Construction	64,022,021	103,729,301			167,751,322		55,649,084	82,842,105		138,491,189
3. Maintenance	44,431,441				44,431,441		44,991,651			44,991,651
4. Preconstruction	5,192,462	9,559,047			14,751,509		6,112,716	11,398,075		17,510,791
5. Motor Pool				1,038,063	1,038,063				1,018,462	1,018,462
6. Equipment				12,867,421	12,867,421				12,901,891	12,901,891
7. Interfund Transfers	27,962,094			163,653	28,125,747		25,655,637			25,655,637
8. Stores Inventory	12,651,128				12,651,128		12,744,300			12,744,300
9. Gross Vehicle Weight Division	3,585,815				3,585,815		3,607,210			3,607,210
Total	164,133,407	115,224,348	14,069,137		293,426,892		154,931,004	96,135,647	13,920,353	264,987,004

The department is directed to submit to the 1991 legislature a construction work plan for the 1993 biennium that is detailed by year and project. This work plan must specify, by road system or project area, proposed projects on which $1

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

million or more would be spent during the 1993 biennium and an aggregate cost for projects with anticipated expenditures of less than $1 million. Costs must be detailed by year and project.

The department may adjust appropriations and FTE in the construction, preconstruction, interfund transfers, and maintenance programs between fiscal years and funding sources to reflect actual expenditures related to the construction work plan and maintenance activities.

Item 3 includes an appropriation of $473,272 in each fiscal year for damage repairs from insurance proceeds. In the event the insurance proceeds received exceed the amounts appropriated to the department of highways for fiscal 1990 and fiscal 1991, the additional funds are appropriated.

Item 4 includes $2,395,500 in fiscal 1990 and $2,442,500 in fiscal 1991 for consultant and professional services. Item 4 also includes $4,451,390 in fiscal 1990 and $7,105,100 in fiscal 1991 for right-of-way purchases. The above amounts may be expended for the prescribed purposes only and may not be transferred to any other program. The funds in item 4 for consultant and professional services and for right-of-way purchases that are not expended for the prescribed purposes must revert.

CONTINGENT UPON PASSAGE OF HB 774, THERE IS APPROPRIATED $150,000 A YEAR FOR THE 1990-91 BIENNIUM FROM THE HIGHWAY SPECIAL REVENUE FUND TO THE MAINTENANCE PROGRAM.

DEPARTMENT OF MILITARY AFFAIRS

1. Administration Program										
a. Operations										
	200,613				200,613	203,028				203,028
b. Audit										
	5,188				5,188					

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
2. Army National Guard										
A. OPERATIONS										
	~~936,674~~		819,202		~~1,755,876~~	~~947,641~~		829,630		~~1,777,271~~
	797,794				1,616,996	808,758				1,638,388
B. REORGANIZATION										
	138,880				138,880	138,883				138,883
3. Air National Guard										
	127,862		1,347,644		1,475,506	131,029		1,358,806		1,489,835
4. Disaster Coordination										
a. Operations										
	222,128		239,491		461,619	219,783		237,147		456,930
b. Audit										
	3,755		3,755		7,510					
c. Hazardous Materials Training										
		12,000	48,000		60,000		12,000	48,000		60,000
5. Emergency Management										
a. Operations										
			258,756		258,756			259,051		259,051
b. Audit										
			2,868		2,868					
6. Local Civil Defense Reimbursement										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
			2,000,000		2,000,000			2,000,000		2,000,000
7. Veterans' Affairs										
a. Operations										
	449,877		45,916		495,793	448,598		43,920		492,518
b. Audit										
	5,188				5,188					
Total										
	1,951,285	12,000	4,765,632		6,728,917	1,950,079	12,000	4,776,554		6,738,633

Item 2 includes $186,066 and $185,640 general fund in fiscal 1990 and fiscal 1991 for personal services. It is the intent of the legislature that the agency's 1993 biennium current level personal services general fund request for this program not exceed $186,066 in fiscal 1992 and $185,640 in fiscal 1993.

In item 3, two firefighter FTE may be added if the current contract for firefighters becomes unnecessary.

Funds may be spent from item 4c only if federal funds are received for this purpose.

TOTAL SECTION A									
~~42,447,114~~	~~187,986,480~~	~~127,279,216~~	~~49,560,848~~	~~407,193,658~~	~~41,672,366~~	~~177,192,201~~	~~187,933,184~~	~~50,258,055~~	~~377,055,806~~
~~42,726,589~~	~~187,815,876~~			~~407,382,529~~	~~41,551,454~~	~~177,388,625~~	~~187,816,768~~		~~376,934,894~~
~~49,895,918~~	~~182,989,377~~	125,890,204	~~50,949,687~~	~~408,319,098~~	~~47,509,895~~	~~171,779,636~~	106,440,554	~~50,974,356~~	~~376,784,441~~
~~49,145,157~~	~~182,361,948~~		50,935,386	~~408,392,695~~	~~47,558,295~~	~~171,756,686~~		50,959,326	~~376,786,781~~
49,183,787	182,441,133			408,450,510	47,773,648	171,835,779			377,009,307

B. HUMAN SERVICES

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES										
1. Director's Division										
	~~213,818~~	~~468,888~~	~~1,448~~	237,710	~~852,968~~	~~213,875~~	~~468,886~~	~~1,448~~	240,365	~~854,886~~
		401,440	0				401,440	0		
	207,818				846,968	207,075				848,880
2. Centralized Services Division										
a. Operations										
	646,930	~~985,344~~	~~193,858~~	697,912	2,523,236	625,855	~~746,876~~	~~188,186~~	683,714	2,243,751
		1,008,288	170,106				763,984	170,198		
b. Audit										
				44,274	44,274					
c. Contingency Fund										
		50,000			50,000					
3. Environmental Sciences										
a. Operations										
	964,336	144,780	659,375		1,768,491	944,467	137,517	656,811		1,738,795
b. Facility Siting, Variance Reviews, and Environmental Impact Statements										
		100,000			100,000					
c. Local Board Inspection Fees										
		237,500			237,500		237,500			237,500

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
4. Solid and Hazardous Waste Management										
	~~111,588~~	~~1,497,587~~	7,372,199		~~8,981,294~~	~~189,476~~	~~1,551,782~~	7,448,415		~~9,189,593~~
		~~2,084,357~~			~~9,568,144~~		~~2,138,552~~			~~9,696,443~~
	~~241,238~~	~~2,189,357~~			~~9,772,786~~	~~283,868~~	~~2,243,552~~			~~9,895,895~~
	193,478	2,084,357			9,650,034	191,366	2,138,552			9,778,333
5. Water Quality										
a. Operations										
	~~129,895~~	~~541,518~~	~~1,962,304~~		~~2,627,717~~	~~124,958~~	~~474,834~~	~~1,962,442~~		~~2,562,226~~
		~~502,312~~			~~2,588,518~~					
	168,895	497,916	2,057,665		2,724,476	169,950	429,834	2,059,483		2,659,267
b. Pollution Studies										
			85,000		85,000					
6. Health Services and Medical Facilities Division										
	376,652	44,565	223,608		644,825	384,146	44,702	224,916		653,764
7. Family/Maternal and Child Health										
	50,000		13,900,887		13,950,887	50,000		14,731,672		14,781,672
8. Preventive Health										
	~~233,525~~		~~1,374,292~~		~~1,607,817~~	~~233,878~~		~~1,435,952~~		~~1,669,822~~
		52,702	1,321,590				54,849	1,381,103		
	291,594				1,665,886	283,737				1,719,689
9. Licensing and Certification										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	~~495,735~~		~~1,228,789~~		~~1,664,524~~	~~432,617~~		~~1,285,918~~		~~1,638,535~~
	409,844		1,167,210		1,577,054	406,711		1,144,305		1,551,016
10.	Health Planning									
	189,859				189,859	190,322				190,322
	Total									
	~~3,346,338~~	~~4,881,214~~	~~27,888,944~~	979,896	~~35,328,392~~	~~3,387,978~~	~~8,592,331~~	~~27,855,672~~	924,079	~~35,688,868~~
		~~3,962,888~~			~~35,289,186~~					
	~~3,365,447~~	~~4,621,548~~	26,957,640		~~35,924,531~~	~~3,327,872~~	~~4,288,378~~	27,816,903		~~36,276,432~~
	~~3,465,889~~	~~4,726,548~~			~~36,129,173~~	~~3,421,464~~	~~4,313,378~~			~~36,475,829~~
	3,499,406	4,621,548			36,058,490	3,453,629	4,208,378			36,402,989

ITEM 8 INCLUDES $58,069 OF GENERAL FUND IN FISCAL 1990 AND $50,667 OF GENERAL FUND IN FISCAL 1991 FOR IMPLEMENTATION OF THE MONTANA INITIATIVE FOR THE ABATEMENT OF MORTALITY IN INFANTS IN HB 773. IN ADDITION, THE DEPARTMENT SHALL REALLOCATE FUNDS FROM EXISTING APPROPRIATIONS IN HB 100 EQUAL TO $46,541 IN FISCAL 1990 AND $46,675 IN FISCAL 1991 TO PROVIDE UP TO $104,610 IN FISCAL 1990 AND UP TO $97,342 IN FISCAL 1991 FOR TOTAL FUNDING OF THE MONTANA INITIATIVE FOR THE ABATEMENT OF MORTALITY IN INFANTS PROJECT.

The total appropriation for the department includes $2,101,803 in fiscal 1990 and $2,101,803 in fiscal 1991 from the maternal and child health block grant. To the extent revenues from the grant exceed these amounts, they must be distributed to the counties based upon identifiable needs. To the extent revenues from the grant are less than these amounts, distributions to the counties must be reduced.

Items 2b, 2c, 3b, and 5b are biennial appropriations.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

To the extent revenues from the preventive health block grant exceed $597,771 in fiscal 1990 or fiscal 1991, they may be distributed at the discretion of the director of the department of health and environmental sciences based upon identifiable health care needs. To the extent revenues from the grant are less than this amount, the director of the department shall make program reductions.

Item 2a will require an interaccount loan from the general fund for not more than $223,000 for the purpose of purchasing the equipment authorized for the chemistry laboratory. The loan period may not extend beyond June 30, 1991, and must be repaid with laboratory fee revenue.

Item 2c is a contingency appropriation that may be used only if the demand for reimbursable services requires expenditures for supplies, materials, and communications in excess of the appropriated levels of $117,925 for fiscal 1990 and $116,792 for fiscal 1991.

Item 3c provides for distribution to local boards of health of a portion of the license fees collected from food establishments, accommodations, and camping facilities. If this portion of license fees exceeds the amount appropriated in item 3c, the department may request a budget amendment to distribute the excess.

ANY SAVINGS IN THE HEALTH PLANNING BUDGET (ITEM 10) RESULTING FROM ANY EXCLUSION OF HOSPITALS FROM THE CERTIFICATE OF NEED PROGRAM MUST BE USED TO SUPPORT THE MONTANA INITIATIVE FOR THE ABATEMENT OF MORTALITY IN INFANTS (MIAMI) PROJECT.

CONTINGENT UPON PASSAGE OF HB 757, THERE IS APPROPRIATED $14,967 FOR FISCAL 1990 AND $14,967 FOR FISCAL 1991 FROM THE GENERAL FUND TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES TO FUND INCREASED RESPONSIBILITIES OF AGRICULTURAL WATER MONITORING.

DEPARTMENT OF LABOR AND INDUSTRY

1. Employment Services Division

	Fiscal 1990				Fiscal 1991			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
a. Job Services										
		85,000	10,978,404		11,063,404		85,000	10,845,229		10,930,229
b. Unemployment Insurance										
			3,241,304		3,241,304			3,211,745		3,211,745
c. Centralized Services										
				2,601,905	2,601,905				2,641,405	2,641,405
d. Audit										
				58,376	58,376					
e. Job Training Partnership Act										
			~~18,336,111~~		~~18,336,111~~	194,307		12,335,069		12,529,376
			9,748,465		9,748,465					
f. Employment Relations										
		~~233,708~~	~~1,860,983~~	3,500	~~2,098,111~~		~~233,950~~	~~1,861,998~~	3,500	~~2,099,448~~
		237,708	~~1,856,983~~				237,950	~~1,857,998~~		
			1,870,247		2,111,455			1,884,678		2,126,128
g. Employment Policy										
			2,653,450		2,653,450			2,783,725		2,783,725
h. Human Rights										
	251,284		147,669		398,953	239,374		102,700		342,074
Total										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	251,284	~~318,708~~	~~29,217,841~~	2,663,781	~~32,451,614~~	433,681	~~318,958~~	~~31,148,458~~	2,644,905	~~34,537,994~~
		322,708	~~29,213,841~~				322,950	~~31,136,458~~		
			~~28,626,195~~		~~31,863,968~~					
			28,639,539		31,877,312			31,163,146		34,564,682
2.	Workers' Compensation									
	a. Administration									
		~~2,493,627~~	24,988		~~2,518,615~~		2,272,019	24,988		2,297,007
		2,508,327			2,533,315					
	b. Audit									
		41,242			41,242					
	c. State Insurance Fund									
		~~4,541,145~~			~~4,541,145~~		~~4,565,188~~			~~4,565,188~~
		4,929,859			4,929,859		4,798,994			4,798,994
	d. Insurance Compliance									
	541,791	1,267,364			1,809,155	524,346	1,253,491			1,777,837
	e. Safety									
		873,635	101,357		974,992		843,161	101,645		944,806
	Total									
	541,791	~~9,217,813~~	126,345		~~9,885,149~~	524,346	~~8,933,771~~	126,633		~~9,584,758~~
		9,620,427			10,288,563		9,167,665			9,818,644

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
~~three--positions--(3.8--FTE)--in--the--job--service-program-must-be-used-for-supported-employment-for-persons-under vocational-rehabilitation-services.~~										
IN ACCORDANCE WITH THE PROVISIONS OF 29 U.S.C. 1531 AND 42 U.S.C. 683, THE GOVERNOR SHALL ASSURE THAT PROGRAMS ADMINISTERED UNDER THE JOB TRAINING PARTNERSHIP ACT ARE COORDINATED WITH ANY OTHER RELEVANT EMPLOYMENT, TRAINING, EDUCATION, OR WORK PROGRAM IN THE STATE, INCLUDING THE JOB OPPORTUNITIES AND BASIC SKILLS TRAINING (JOBS) PROGRAM AND THE JOB SEARCH, TRAINING, AND WORKFARE PROGRAMS ESTABLISHED IN 53-3-304.										
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES										
1. Assistance Payments										
a. Operations										
	1,796,815		6,066,595		7,863,410	1,851,641		6,523,826		8,375,467
b. Benefits										
i. Legal Services										
	100,000				100,000	100,000				100,000
ii. State General Assistance AND TRANSITION TO WORK										
	~~4,765,288~~				~~4,765,288~~	~~5,124,600~~				~~5,124,600~~
	4,665,288				4,665,288	5,024,600				5,024,600
	4,765,200		500,000		5,265,200					
iii. Nonresident General Relief										
	33,000				33,000	33,000				33,000
iv. Aid to Families With Dependent Children										
	9,679,814		~~26,224,541~~		35,904,355	10,031,901		~~27,164,617~~		37,196,518

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
		671,411	25,553,130				650,939	26,513,678		
	v. Welfare Reform									
	~~251,114~~		~~1,745,387~~		~~1,996,501~~	843,269		4,282,703		5,125,972
	64,955		573,073		638,028					
	vi. Other Benefits									
	~~458,311~~		~~13,572,621~~		~~14,030,932~~	366,447		12,993,884		13,360,331
	358,311		13,072,621		13,430,932					
	Total									
	~~17,884,254~~		~~47,689,144~~		64,693,398	~~18,350,858~~		~~50,965,030~~		~~69,315,888~~
		671,411	~~46,937,733~~				650,939	50,314,091		
	16,798,095		45,765,419		63,234,925	18,250,858				69,215,886
2.	Eligibility Determination									
	2,464,822		~~6,698,580~~		9,163,402	2,484,168		~~6,723,976~~		9,208,144
		2,300,142	4,398,438				2,304,059	4,419,917		
3.	Administration and Support									
	a. Operations									
	971,035		~~1,937,975~~		2,909,010	982,608		~~1,958,544~~		2,941,152
		256,833	1,681,142				259,931	1,698,613		
	b. Legislative Audit									
	64,616		~~66,824~~		131,440					

	Fiscal 1990				Fiscal 1991			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
		1,262	65,562							
C. CHILD SUPPORT ENFORCEMENT BUREAU										
			2,443,161	1,155,846	3,599,007			2,831,288	1,260,677	4,091,965
Total										
	1,035,651		2,884,799		3,848,458	982,608		1,958,544		2,941,152
		258,095	4,189,865	1,155,846	6,639,457		259,931	4,529,901	1,260,677	7,033,117
4. County Administration										
	661,706		439,477		1,101,183	702,130		437,551		1,139,681
5. Medical Assistance										
a. Operations										
	1,113,864		2,040,169		3,154,033	1,108,585		2,033,457		3,141,962
	1,141,621		2,097,927		3,239,548	1,121,283		2,046,235		3,167,518
	1,128,854		2,085,159		3,214,013	1,108,517		2,033,467		3,141,984
b. Benefits										
i. State Medical										
	4,598,888				4,598,888	4,681,888				4,681,888
	4,500,000				4,500,000	4,500,000				4,500,000
ii. Medicaid - Waiver, Elderly										
	834,667		1,963,699		2,798,366	808,183		2,005,663		2,813,766
	821,202		1,930,459		2,751,661	781,007		1,938,414		2,719,421

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
iii. Medicaid - Waiver, Disabled										
	648,783		1,585,809		2,146,592	619,971		1,538,721		2,158,692
	630,203		1,479,692		2,109,895	598,681		1,485,882		2,084,563
iv. Medicaid - Institutions										
			10,859,658		10,859,658			10,268,843		10,268,843
			9,862,402		9,862,402			9,877,645		9,877,645
v. Medicaid - Nursing Homes										
	15,179,484		37,472,815		52,651,419	15,612,382		38,748,881		54,360,383
	15,083,821		37,236,059		52,319,880	15,477,857		38,412,419		53,889,476
	14,644,487		36,151,513		50,796,000	14,588,611		36,207,389		50,796,000
vi. Medicaid - Primary Care										
	19,824,522	6,907,000	64,814,787		89,946,309	20,441,788	7,030,000	68,182,851		95,653,831
	18,517,217		62,762,449		88,186,666	19,356,097		65,487,499		91,873,596
vii. Catastrophic Coverage Act										
	2,259,828		3,015,171		5,274,991	3,990,518		7,652,826		11,642,544
	2,256,407		3,006,746		5,263,153	3,981,772		7,630,321		11,612,093
viii. OBRA										
	869,102		2,609,903		3,479,005	830,784		2,457,418		3,288,202
IX. MEDICAID - NURSING HOMES - NURSE AIDE SALARY INCREASE										
	112,497		277,712		390,209	230,860		572,970		803,830
X. MEDICAID FUNDS FOR IMPLEMENTATION OF HOUSE BILL 304										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
			1,500,000		1,500,000			1,500,000		1,500,000
	XI. MEDICAL PROVIDER INCREASE									
	624,763		1,517,368		2,142,131	1,324,615		3,219,543		4,544,158
	XII. NURSING HOME PROVIDER INCREASE									
	439,334		1,084,546		1,523,880	888,446		2,205,030		3,093,476
	XIII. WAIVER EXPANSION PERSONAL SERVICES									
	12,767		12,768		25,535	12,766		12,768		25,534
	~~ix~~ XIV. Other Benefits									
	1,055,579		4,602,922		5,658,501	1,093,613		4,884,514		5,978,127
	Total									
	~~45,567,741~~	6,907,000	~~127,284,125~~		~~179,758,866~~	~~49,187,376~~	7,030,000	~~137,762,774~~		~~193,986,150~~
	45,612,412		~~127,383,639~~		~~179,903,851~~	49,295,769		~~138,012,868~~		~~194,338,629~~
			128,883,639		181,403,051			139,512,860		195,838,629
6.	Audit and Program Compliance									
	625,447		766,432		1,391,879	620,987		760,654		1,381,641
7.	Vocational Rehabilitation									
	a. Operations									
	124,455	390,432	1,971,496		2,486,383	123,979	388,083	1,968,971		2,481,033
	B. VOCATIONAL REHABILITATION PROVIDER INCREASE									
	13,186	7,308	79,958		100,452	28,288	12,904	163,074		204,266

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
b C. Benefits										
	~~768,846~~	~~372,788~~	~~4,595,186~~		~~5,736,660~~	~~818,261~~	~~333,984~~	~~4,741,342~~		~~5,893,587~~
	755,660	365,400	4,515,148		5,636,208	789,973	321,000	4,578,268		5,689,241
Total										
	893,301	763,140	6,566,602		8,223,043	942,240	721,987	6,710,313		8,374,540
8. Disability Determination										
			2,670,435		2,670,435			2,605,243		2,605,243
9. Visual Services										
a. Operations										
	115,816		465,558		581,374	115,849		465,484		581,333
B. VISUAL SERVICES PROVIDER INCREASE										
	1,072		7,414		8,486	2,146		14,826		16,972
b C. Benefits										
	~~154,821~~		~~477,897~~		~~632,718~~	~~155,895~~		~~485,989~~		~~641,284~~
	153,749		470,483		624,232	153,749		470,483		624,232
Total										
	270,637		943,455		1,214,092	271,744		950,793		1,222,537
10. Developmental Disabilities										
a. Operations										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	311,007		929,847		1,240,854	~~294,688~~		~~925,446~~		~~1,220,134~~
						336,545		967,383		1,303,848
						294,688		925,446		1,220,134
	B. RESPITE CARE									
	48,209				48,209	48,209				48,209
	C. FARM IN DELL									
	126,400				126,400	128,928				128,928
	b D. Benefits									
	~~7,751,258~~		13,282,585		~~21,033,843~~	~~8,887,478~~		~~14,418,873~~		~~23,226,351~~
						~~8,728,773~~		~~14,377,816~~		~~23,106,589~~
	7,576,649				20,859,234	8,593,493		14,418,873		23,012,366
	Total									
	8,062,265		14,212,432		22,274,697	~~9,182,166~~		15,344,319		~~24,446,485~~
						9,065,318				24,409,637
11.	DDPAC									
	a. Operations									
			105,000		105,000			105,000		105,000
	b. Benefits									
			~~195,001~~		~~195,001~~			~~195,001~~		~~195,001~~
			195,000		195,000			195,000		195,000

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
Total										
			~~300,001~~		~~300,001~~			~~300,001~~		~~300,001~~
			300,000		300,000			300,000		300,000
TOTAL SRS										
	~~76,665,824~~	~~7,678,148~~	~~289,495,482~~		~~293,839,446~~	~~82,644,277~~	~~7,751,987~~	~~224,519,198~~		~~314,915,462~~
	~~76,718,495~~	10,899,788	~~288,888,588~~	1,155,846	~~297,574,637~~	~~82,715,822~~	10,966,916	~~224,385,642~~	1,260,677	~~319,329,057~~
	76,424,336		~~287,636,194~~		~~296,116,164~~	82,615,822				~~319,229,057~~
			209,136,194		297,616,164			225,885,642		320,729,057

In each fiscal year, 10% of the low-income energy assistance program block grant must be transferred to the social services block grant. If the transfer is greater than $862,444 in either fiscal year, a like amount of general fund must revert. Ten percent of the low-income energy assistance program block grant must be used for the weatherization program in each fiscal year. If the department receives refunds from low-income energy assistance grants in excess of $420,000 in either fiscal year, the excess amount of refunds must be used in the weatherization program.

IT IS THE INTENT OF THE LEGISLATURE THAT THE DEPARTMENT ESTABLISH AFDC AND GENERAL ASSISTANCE PAYMENT LEVELS AT 42% OF THE FEDERAL POVERTY INDEX EACH YEAR OF THE 1991 BIENNIUM USING THE CALENDAR YEAR 1989 FEDERAL POVERTY INDEX TO ESTABLISH THE STATE FISCAL 1990 PAYMENT LEVELS AND THE CALENDAR YEAR 1990 FEDERAL POVERTY INDEX TO ESTABLISH THE STATE FISCAL 1991 PAYMENT LEVELS.

Except for 5% in fiscal 1990 and 5% in fiscal 1991 that the department may use for administrative expenses, all other funds appropriated for the community services block grant must be allocated to the human resource development councils.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

Funds appropriated under item 1bi are for a contract with the Montana legal services corporation to provide legal assistance to all general relief clients seeking eligibility for the federal supplemental security income program and to those current recipients of supplemental security income who have been notified of termination of benefits. The appropriation is intended to reduce the general assistance case load by a minimum of 320 clients by the end of the 1991 biennium.

The department is directed to work with the Montana public and investor-owned utilities and the HRDCs to prepare a long-range, low-income weatherization plan based upon utility funding for presentation to the 52nd legislature. Utility funded weatherization must be cost-effective for the utilities (i.e., the energy saved through the weatherization must be less costly than the value of the electricity or natural gas that would be needed without the weatherization savings).

The department may not consider donated or nondepartmental contracted funds obtained by developmental disabilities providers when allocating or contracting state payments for developmental disabilities services.

Item 3b is a biennial appropriation.

Transfer of funds may be made among items ~~1bii~~, 5bi, 5bv, and 5bvi. No funds may be transferred from these items to any other portion of the SRS budget.

FUNDS APPROPRIATED IN ITEM 1BII FOR FISCAL 1990 INCLUDE AT LEAST $100,000 OF GENERAL FUND AND $500,000 OF FEDERAL FUNDS FOR THE TRANSITION TO WORK PROGRAM. IF A GENERAL ASSISTANCE RECIPIENT ACCEPTS FUNDING FROM THE TRANSITION TO WORK PROGRAM IN ORDER TO ACCEPT EMPLOYMENT IN ANOTHER STATE, THE RECIPIENT IS NOT ELIGIBLE FOR THE GENERAL ASSISTANCE PROGRAM FOR 16 MONTHS AFTER HIS RELOCATION TO ANOTHER STATE. NO FUNDS MAY BE TRANSFERRED OUT OF ITEM 1BII TO ANY OTHER PORTION OF THE SRS BUDGET.

Transfer of funds may be made among items 1bv, 5bvii, and 5bviii. No funds may be transferred from these items to

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

any other portion of the SRS budget.

FUNDS APPROPRIATED UNDER ITEM 5BIX MAY ONLY BE USED FOR SALARY INCREASES FOR NURSE AIDES WHO HAVE COMPLETED ALL TRAINING AND COMPETENCY EVALUATION REQUIREMENTS MANDATED UNDER THE FEDERAL OMNIBUS BUDGET RECONCILIATION ACT. THESE FUNDS MAY NOT BE DISTRIBUTED BY THE DEPARTMENT AS PART OF THE REIMBURSEMENT FORMULA FOR ROUTINE OPERATING AND PROPERTY COSTS.

It is the intent of the legislature that a portion of funds appropriated under items 1bv and 5bvii may be used for eligibility determination of additional welfare cases that are directly attributable to changes in federal eligibility criteria. Eligibility determination of the additional cases AND GENERAL RELIEF CASE LOADS may include contracting for services in nontraditional settings. The department shall report to the 52nd legislature on the efficiency and cost-effectiveness of such an approach to eligibility determination.

The department may not expend or reduce the amount, scope, or duration of the benefits available to recipients under the medicaid-other program during the 1991 biennium unless Title XIX of the federal Social Security Act is amended to require expansion or reduction of benefits as a condition of the state receiving federal financial participation.

No funds may be transferred out of item 5biv.

If collections of county mill levy funds from state-assumed counties exceed $6,907,000 in fiscal 1990 and $7,030,000 in fiscal 1991, excepting mill levy funds received from any county becoming state assumed after fiscal 1989, there must be a general fund reversion of an amount equal to the excess mill levy revenue.

Funds appropriated under item 11b must be expended for direct services in accordance with recommendations of the developmental disabilities planning and advisory council.

The department may request additional federal authority for work training programs through the budget amendment process. The department may contract with the department of labor to administer such programs.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

Of the total funds received by the vocational rehabilitation program from the industrial accident and rehabilitation account, $300,000 per year is to be used to fund counseling and placement costs in the vocational rehabilitation program. No indirect costs may be paid with industrial accident and rehabilitation account funds.

Item ~~10b~~ 10D includes $1,245,487 appropriated for fiscal 1990 and $1,270,398 for fiscal 1991 for direct care salary increases within the developmental disabilities community-based system. These funds will be used to bring salaries toward a target minimum entry level for each job classification. Salaries farthest below the minimum entry level will be addressed first.

The developmental disabilities division shall present to the 52nd legislature the cost of full compliance with the requirements for early intervention services that are contained in Part H of the federal Education of the Handicapped Act, as amended by Public Law 99-457.

ITEM 3C IS AN APPROPRIATION FOR THE STATE CHILD SUPPORT ENFORCEMENT BUREAU. THE DEPARTMENT SHALL ESTABLISH AN ENTERPRISE FUND ON JULY 1, 1989, TO ALLOW FOR OPERATION OF THE CHILD SUPPORT ENFORCEMENT PROGRAM. IT IS THE INTENT OF THE LEGISLATURE THAT THE PROGRAM COLLECT $1.25 IN FISCAL 1990 AND $1.69 IN FISCAL 1991 FOR EACH $1.00 EXPENDED FROM THE ENTERPRISE FUND. THE DEPARTMENT IS AUTHORIZED TO EMPLOY A MAXIMUM OF 106 FTE IN FISCAL 1990 AND 121 FTE IN FISCAL 1991, PROVIDED THE DEPARTMENT MEETS THE LEGISLATIVE PERFORMANCE CRITERIA. THE PURPOSE OF THE ADDITIONAL STAFF IS TO MEET THE REQUIREMENTS OF THE FEDERAL AUDIT PERFORMANCE STANDARDS, THE 1987 AUDIT CORRECTIVE ACTION PLAN, THE FEDERAL WELFARE REFORM ACT, AND SB 22, SB 42, SB 129, AND SB 177 PASSED BY THE 51ST LEGISLATURE. THE DEPARTMENT MAY CONTRACT PORTIONS OF THIS PROGRAM AS LONG AS IT MEETS LEGISLATIVE PERFORMANCE CRITERIA.

THE STATE SHARE OF THE AFDC-RELATED SUPPORT COLLECTIONS AND ALL AFDC AND NON-AFDC FEDERAL INCENTIVE PAYMENTS MUST BE DEPOSITED TO THIS ENTERPRISE FUND FROM WHICH THE STATE'S SHARE OF THE ADMINISTRATIVE AND OPERATIONAL COSTS OF THE PROGRAM MUST BE PAID. ANY FUND BALANCE IN EXCESS OF $500,000 IN THE ENTERPRISE ACCOUNT AT THE END OF EACH FISCAL YEAR

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
MUST BE RETURNED TO THE GENERAL FUND. THE DEPARTMENT SHALL CLEARLY IDENTIFY ALL RELATED REVENUES AND EXPENDITURES ON THE STATE BUDGETING AND ACCOUNTING SYSTEM IN ORDER FOR THE OFFICE OF BUDGET AND PROGRAM PLANNING OR THE OFFICE OF THE LEGISLATIVE FISCAL ANALYST TO COMPLETELY EVALUATE THE COST-EFFECTIVENESS OF THIS PROGRAM.										
THE FUNDS APPROPRIATED FOR THE STATE CHILD SUPPORT ENFORCEMENT BUREAU IN ITEM 3C MUST BE TRANSFERRED TO THE DEPARTMENT OF REVENUE UNLESS THE 51ST LEGISLATURE PROVIDES SUBSTANTIVE AUTHORITY TRANSFERRING THE PROGRAM OF CHILD SUPPORT ENFORCEMENT TO THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES.										
THE DEPARTMENT MAY PURSUE FUNDING FOR THE SPECIALIZED SERVICES AND SUPPORT ORGANIZATION (SSSO) UNDER THE FEDERAL ICF/MR PROGRAM IF THE FEDERAL GOVERNMENT FAILS TO APPROVE MEDICAID WAIVER FUNDING FOR SSSO SERVICES.										
DEPARTMENT OF FAMILY SERVICES										
1. Management Support										
a. Operations										
1,425,639		491,949		1,917,588	1,413,169		493,413			1,906,582
	45,000			1,962,588		45,000				1,951,582
1,412,780		504,808			1,407,840		498,742			
b. Legislative Audit										
33,987		21,356		55,343						
Total										
1,459,626		513,305		1,972,931	1,413,169		493,413			1,906,582
	45,000			2,017,931		45,000				1,951,582
1,446,767		526,164			1,407,840		498,742			

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
2. Community Services										
a. Operations										
	6,683,922	9,768	2,895,828		9,589,518	6,633,398	9,761	2,877,461		9,520,620
	6,587,393	889,519	2,815,406		9,492,318		889,520	1,997,782		
	6,595,499		2,888,357		9,573,375					
	6,550,289		2,133,567			6,588,060		2,043,040		
b. Benefits										
	2,496,881	131,434	4,718,246		7,337,681	2,573,958	96,420	4,737,617		7,407,987
	2,480,977		4,829,374		7,447,785	2,525,822		4,776,862		7,399,104
c. Foster Care										
	6,582,657		3,464,437		10,047,094	7,697,077		3,568,725		11,285,682
		1,139,650	2,580,266		10,302,573		1,139,650	2,520,639		11,357,366
D. SSI PAYMENTS - FARM IN DELL AND SSSO										
	9,024				9,024	48,128				48,128
Total										
	15,682,588	141,194	11,878,511		26,894,285	16,984,425	186,181	11,283,883		28,214,489
	15,666,051	2,160,603	9,385,918		27,132,572		2,125,590	9,255,958		28,285,973
	15,674,157		9,378,869		27,213,629					
	15,628,947		9,543,207		27,332,757	16,859,087		9,340,541		28,325,218
3. Mountain View School										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
A. OPERATIONS										
	~~1,816,585~~	3,213	86,486		~~1,906,284~~	~~1,836,238~~	3,213	86,501		~~1,925,944~~
	1,803,229				1,892,928	1,822,874				1,912,588
B. TEACHER ANNUAL LEAVE AND HOLIDAYS										
	13,356				13,356	13,356				13,356
4. Pine Hills School										
A. OPERATIONS										
	~~2,988,939~~	~~514,224~~	~~535,727~~		~~3,575,887~~	~~3,885,148~~	~~514,246~~	~~542,173~~		~~3,598,567~~
		317,221	269,727				323,246	270,173		
	2,963,739				3,550,687	2,979,948				3,573,367
B. TEACHER ANNUAL LEAVE AND HOLIDAYS										
	25,200				25,200	25,200				25,200
Total										
	~~21,947,738~~	~~195,628~~	~~12,206,829~~		~~34,349,387~~	~~23,158,972~~	~~160,648~~	~~12,325,898~~		~~35,645,582~~
	~~21,931,281~~	2,526,037	~~10,175,436~~		~~34,632,674~~		2,497,049	~~10,106,845~~		~~35,762,866~~
	~~21,939,387~~		~~10,248,387~~		~~34,713,731~~					
	21,881,238		10,425,584		34,832,859	23,108,305		10,195,957		35,801,311

Item 1b is a biennial appropriation.

The ~~human--services--joint-subcommittee-directs-the~~ department to SHALL develop a plan for the implementation of a continuum of youth services for the state of Montana to be presented to the 52nd legislature.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

The plan for implementation should address the following goals and objectives:

(1) stabilize the rate system for existing child care providers by phasing in a percentage increase of the state's rates with a goal toward adequate funding to ensure continued provision of existing services;

(2) quantify the number of children served and the number of children unserved or underserved;

(3) complete the continuum of care necessary to address the needs of children in the custody of the department by developing or enhancing programs in the following areas:

(a) prevention of child abuse and neglect and juvenile delinquency;

(b) family-based and in-home services for families in crisis;

(c) intermediate level services, including specialized or therapeutic foster care and group care;

(d) development of services to address the needs of the children in the following categories:

(i) juvenile sex offenders;

(ii) dually diagnosed (developmentally disabled and emotionally disturbed) children;

(iii) juvenile delinquents in need of community juvenile corrections programs;

(iv) chronically mentally ill children;

(v) severely emotionally disturbed children.

It is recognized that the planning process for the development of the youth services system must be tied to the local level. The establishment of the 10 local youth services advisory councils across the state provides the best mechanism for local participation in the planning process. All planning to address the needs of youth should be undertaken in conjunction with these local councils.

ITEM 2A CONTAINS $49,584 OF GENERAL FUND AND $1,987 OF FEDERAL FUNDS IN FISCAL 1990 AND $66,113 OF GENERAL FUND AND $2,650 OF FEDERAL FUNDS IN FISCAL 1991 FOR 2.5 FTE DAY-CARE LICENSING PERSONNEL. IF ADDITIONAL FEDERAL FUNDS BECOME

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
AVAILABLE FOR THIS PROGRAM ON OR BEFORE OCTOBER 1, 1989, THEY MUST REPLACE GENERAL FUND TO THE FULLEST EXTENT POSSIBLE.										
THE APPROPRIATION IN ITEMS 3B AND 4B MAY ONLY BE USED TO PAY ANNUAL LEAVE AND HOLIDAY PAY FOR TEACHERS AT MOUNTAIN VIEW SCHOOL AND PINE HILLS SCHOOL.										
TOTAL SECTION B										
	~~102,752,967~~	~~21,482,783~~	~~278,846,641~~	~~3,643,677~~	~~485,845,988~~	~~110,869,254~~	~~28,757,679~~	~~295,967,851~~	~~3,568,984~~	~~439,363,768~~
		21,363,497			485,886,782					
	~~102,888,218~~	~~27,990,508~~	~~275,281,778~~	4,799,523	~~418,872,819~~	~~110,159,893~~	~~27,162,958~~	~~293,571,681~~	4,829,661	~~435,724,193~~
	~~102,621,887~~	~~28,095,508~~	~~273,594,761~~		~~409,111,599~~	~~110,154,285~~	~~27,267,958~~			~~435,823,585~~
	102,598,055	27,990,508	275,285,302		410,673,388	110,135,783	27,162,958	295,188,281		437,316,683

C. NATURAL RESOURCES

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
PUBLIC SERVICE COMMISSION										
1. Operations										
	~~1,770,543~~		25,802	20,000	~~1,816,345~~	~~1,744,864~~		24,302	20,000	~~1,789,166~~
	~~1,749,543~~				~~1,795,345~~	~~1,723,864~~				~~1,768,166~~
	1,754,543				1,800,345	1,728,864				1,773,166
2. Audit										
	13,836				13,836					
3. Consultants										
	~~100,000~~				~~100,000~~					
	50,000				50,000					
	0				0					
	50,000				50,000					
Total										
	~~1,884,379~~		25,802	20,000	~~1,930,181~~	~~1,744,864~~		24,302	20,000	~~1,789,166~~
	~~1,813,379~~				~~1,859,181~~	~~1,723,864~~				~~1,768,166~~
	~~1,763,379~~				~~1,809,181~~					
	1,818,379				1,864,181	1,728,864				1,773,166

~~Item 3 is a LINE ITEM biennial appropriation.~~

ITEM 3 IS A LINE ITEM BIENNIAL APPROPRIATION.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
DEPARTMENT OF LIVESTOCK										
1. Central Services										
a. Operations										
	78,316	333,878	16,610		428,804	80,352	342,559	16,621		439,532
b. Audit										
	3,418	14,569			17,987					
2. Diagnostic Laboratory										
	305,493	443,270			748,763	305,791	449,759			755,550
3. Disease Control										
		492,336			492,336		501,343			501,343
4. Milk and Egg Program										
	188,428		30,000		218,428	179,844		30,000		209,844
5. Inspection and Control										
		1,940,205			1,940,205		2,049,681			2,049,681
6. Predatory Animal Control										
		269,200			269,200		271,033			271,033
7. Rabies Control										
	41,912	15,000			56,912	41,930	15,000			56,930
8. Meat Inspection										
A. CURRENT LEVEL										
	~~216,786~~		~~216,786~~		~~433,572~~	~~216,787~~		~~216,785~~		~~433,572~~

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	128,888		128,888		257,776	128,888		128,888		257,776
B. PROGRAM EXPANSION										
	87,898		87,898		175,796	87,898		87,898		175,796
Total										
	834,353	3,508,458	263,396		4,606,207	~~824,784~~ 824,703	3,629,375	~~263,486~~ 263,407		4,717,485

Item 2 contains $15,000 for the purchase of a microhematocrit centrifuge in fiscal 1990 and $21,000 for the purchase of a coulter counter in fiscal 1991. Both of these items are to be excluded from the 1993 biennial budget base.

If there is a brucellosis outbreak, the outbreak is an emergency for budget amendment purposes under 17-7-401 through 17-7-405.

If the department does not have sufficient resources to perform the 10-year brand rerecord as required by 81-3-104, the lack of resources is an emergency for budget amendment purposes under 17-7-401 through 17-7-405.

DEPARTMENT OF AGRICULTURE

1. Centralized Services

a. Operations

~~181,254~~ 162,254	~~186,462~~ 172,685	~~64,725~~ 17,502	31,729	384,170	~~185,494~~ 166,494	~~188,162~~ 174,639	~~65,855~~ 17,578	32,282	390,993

b. Audit

23,521				23,521					

2. Environmental Management

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
A. OPERATIONS										
	~~707,102~~	~~176,267~~	~~215,213~~		~~1,098,582~~	~~694,524~~	~~167,778~~	~~238,468~~		~~1,100,762~~
	~~738,375~~	189,267	223,841		~~1,151,483~~	~~727,487~~	187,778	245,398		~~1,160,663~~
	654,283				1,067,391	675,987				1,109,163
B. EQUIPMENT EXPANSION										
	84,092				84,092	51,500				51,500
3. Plant Industry										
	441,603	~~487,718~~	~~10,217~~	~~31,254~~	~~970,792~~	429,557	~~499,867~~	~~9,964~~	~~31,405~~	~~970,793~~
		499,028	9,157		~~981,842~~		511,177	8,904		~~981,843~~
				10,058	959,846				10,561	960,199
4. Agriculture Development Division										
	~~251,688~~	~~1,841,914~~	~~1,669,863~~	240,966	~~3,143,631~~	~~247,387~~	~~993,688~~	~~1,611,374~~	240,758	~~3,093,127~~
	213,099	3,321,977	70,000		3,846,042	208,425	3,275,982	70,000		3,795,165
Total										
	~~1,685,168~~	~~1,812,361~~	~~1,899,218~~	~~383,949~~	~~5,628,696~~	~~1,556,962~~	~~1,769,415~~	~~1,924,859~~	~~384,445~~	~~5,555,675~~
	1,578,852	4,182,957	320,500		6,386,258	1,531,963	4,149,576	341,880		6,327,864
				282,753	6,365,062				283,601	6,307,020

Included in item 2 is appropriations authority of $24,542 in fiscal 1990 and $24,593 in fiscal 1991 for the operations of the rodent advisor committee. The committee may only use revenues earned from the rodenticide tax established under 80-7-1106, gifts, or grants to expend the appropriations authority.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

Included in item 3 is $29,459 in fiscal 1990 and $27,299 in fiscal 1991 for travel. Of the amounts appropriated for travel, $4,700 in fiscal 1990 and $2,400 in fiscal 1991 are increases over the amounts expended in fiscal 1988. If the division expends more than $24,759 in fiscal 1990 for travel, the amount expended over $24,759 must be excluded from the budgets presented to the 52nd legislature.

Included in item 3 are 11.0 FTE and $357,338 in fiscal 1990 and $362,491 in fiscal 1991 for the operations of the department's grain laboratory. If the workload at the grain laboratory requires additional resources beyond the amounts appropriated, the workload increase is an emergency for budget amendment purposes under 17-7-401 through 17-7-405.

The department shall implement rules to charge and collect fees for agriculture counseling and mediation program financial assistance and mediation activities. To the extent that fee revenues are available, the department shall expend the fee revenues prior to expending the general fund. If there is a fee fund balance at the conclusion of the program, the fund balance must be transferred to the general fund.

THE DEPARTMENT IS AUTHORIZED TO MAKE GRANTS TO STATE AGENCIES FROM THE GROWTH THROUGH AGRICULTURE ACCOUNT AS APPROVED BY THE MONTANA AGRICULTURE DEVELOPMENT COUNCIL IN ACCORDANCE WITH TITLE 90, CHAPTER 9. THE STATE AGENCY THAT RECEIVES A GRANT FROM THE MONTANA AGRICULTURE DEVELOPMENT COUNCIL IS AUTHORIZED ADDITIONAL APPROPRIATION AUTHORITY EQUAL TO THE GRANT AMOUNT.

Within proprietary funds appropriated to the department are revenues received under the provisions of 80-2-221 for hail insurance and 80-2-103 for rural development. Amounts included are:

		Fiscal 1990	Fiscal 1991
Section 80-2-221, MCA	Item 1a	$ 24,224	$ 24,652
	Item 4	162,954	163,654
Section 80-2-103, MCA	Item 1a	7,505	7,630

				Item 4				78,012		77,104
	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
DEPARTMENT OF STATE LANDS										
1. Central Management										
a. Operations										
	1,320,911	171,500	121,526	182,775	1,796,712	1,324,979	171,500	121,526	182,948	1,800,953
b. Audit										
	35,973				35,973					
2. Reclamation										
a. Operations										
	~~229,127~~	1,103,869	8,730,722		~~10,863,718~~	~~232,383~~	1,103,447	8,579,675		~~9,915,585~~
	~~275,287~~				~~10,189,878~~	~~278,793~~				~~9,953,915~~
	303,050				10,137,641	298,573				9,981,695
b. Hard-Rock Reclamation										
		100,000			100,000					
c. Bond Forfeitures										
		100,000			100,000					
3. Land Administration										
a. Operations										
	~~659,222~~				~~659,222~~	~~622,826~~				~~622,826~~
	688,472				688,472	651,326				651,326
b. Weed Control										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	20,000				20,000	20,000				20,000
4. Resource Development										
		284,488			284,488		282,673			282,673
5. Forestry										
a. Operations										
	5,564,288	1,851,284	1,658,453		9,065,945	5,412,359	1,817,983	1,637,833		8,867,975
	5,606,971				9,108,708	5,469,883				8,924,699
		2,976,969	524,768				2,943,668	511,348		
b. Federal Fire Reimbursement										
			100,000		100,000			100,000		100,000
c. Audits -- Timber Sales										
	10,000				10,000					
Total										
	7,839,441	3,611,141	1,682,781	182,775	22,236,856	7,612,547	3,375,683	1,438,234	182,948	21,609,932
	7,882,284				22,278,821	7,670,871				21,666,856
	7,957,614	4,736,826	9,477,016		22,354,231	7,736,981	4,501,288	9,312,549		21,733,766
	7,985,377				22,381,994	7,764,761				21,761,546

Items 2b, 2c, and 5c are biennial appropriations.

Item 5a contains $3,878,581 in fiscal 1990 and $3,766,210 in fiscal 1991 for prefire suppression costs.

Item 1 contains $11,000 per year for the travel expenses of the oil and gas auditor. In preparing the 1993 biennial

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the oil and gas auditor's travel expenses in the current level base.

Item 2a contains $2,000 per year for printing of the hard-rock bureau's administrative rules, $2,050 per year for inspection supplies, and $7,500 in fiscal 1990 for printing of the coal and uranium bureau's administrative rules. In preparing the 1993 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from the above items in the current level base.

Item 5a contains $15,000 in fiscal 1990 for completion of the fire protection assessment computer system, $11,838 in fiscal 1990 for one-time computer supplies, and $14,400 per year for the lease/purchase of a photocopier. In preparing the 1993 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include these expenditures in the current level base.

Item 5b contains $100,000 per year of federal fire reimbursement funds that the department may expend on department forestry activities. Federal fire reimbursement funds are those funds received from the federal agencies for expenses incurred from loaning department personnel to federal agencies to assist in fire suppression activities. Only those federal funds received by the state as reimbursement of expenses credited against the department's state forestry operational budget are considered federal fire reimbursement funds. All other federal funds received must be deposited into the general fund. The department shall report federal fire reimbursement expenditures on state accounting records, and the records must be separate from current level operations.

Item 5a contains $43,007 in fiscal 1990 and $27,505 in fiscal 1991 for a federally/privately funded prescribed burn program. The department is to implement the program only if a federal or private funding source is obtained.

Item 5a contains $106,301 in fiscal 1990 and $73,360 in fiscal 1991 for expansion of the slash program. The expansion funds may be expended only if HB 657 is enacted.

	Fiscal 1990				Fiscal 1991			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

The department and each recognized federal fire protection agency shall, in advance of the fire season, prepare annual operation plans concerning fire prevention, training, communications, detection, suppression, and prescribed fire for all areas, including special management areas, that are of concern to both agencies. It is the intent of the legislature that one of the department's purposes in negotiating these plans is to promote clarity among federal and state firefighting units regarding policies for management of fires in special management areas and to thereby prevent unnecessary expenditure of the state general fund.

Item 5c is to coordinate and conduct, in consultation with the environmental quality council, audits of the application and effectiveness of voluntary best management practices for timber sales.

DEPARTMENT OF FISH, WILDLIFE, AND PARKS

1. Centralized Services								
a. Operations	1,777,622	393,440	1,726,789	3,897,851	1,344,685	379,593	1,769,636	3,494,114
b. Audit	47,042			47,042				
c. Legislative Contract Authority		50,000		50,000		50,000		50,000
d. New Helicopter Insurance and Maintenance			76,982	76,982			76,982	76,982
2. Field Services Division	2,465,216	242,125	118,707	2,826,048	2,543,074	239,149	100,423	2,882,646
3. Fisheries								

	Fiscal 1990				Fiscal 1991			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
a. Operations										
	~~3,894,812~~	~~1,788,141~~			~~4,682,953~~		~~3,843,164~~	~~1,642,294~~		~~4,685,458~~
	3,098,674	1,722,127			4,820,801		3,049,096	1,660,092		4,709,188
b. Trucks										
	18,375	55,125			73,500		23,375	70,125		93,500
c. Legislative Contract Authority										
		1,000,000			1,000,000			1,000,000		1,000,000
d. Little Missouri River Water Reservations										
	13,574	40,721			54,295					
e. Yellow Bay Biological Station										
	25,000				25,000		25,000			25,000
4. Law Enforcement										
a. Operations										
	~~3,925,627~~	182,397			~~4,108,824~~		~~3,985,616~~	191,507		~~4,177,123~~
	3,935,127				4,117,524		3,995,116			4,186,623
b. Legislative Contract Authority										
		7,500			7,500			7,500		7,500
5. Wildlife										
a. Operations										
	2,613,364	2,265,809			4,879,173		2,658,930	2,305,721		4,964,651
b. Legislative Contract Authority										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
			1,165,000		1,165,000			1,165,000		1,165,000
c. Pheasant Enhancement Program										
	1,849,000				1,849,000					
6. Parks Program										
A. OPERATIONS										
	3,396,490	~~868,578~~	361,131	~~4,618,199~~		3,497,554	~~284,836~~	352,518	~~4,134,908~~	
		210,578		3,968,199			334,836		4,184,908	
B. LAND AND WATER CONSERVATION PROGRAM										
		700,000		700,000						
7. Conservation Education										
a. Operations										
	~~1,177,690~~	141,527		~~1,319,217~~		~~1,195,570~~	143,718		~~1,339,288~~	
	~~1,149,816~~			~~1,291,343~~		~~1,167,696~~			~~1,311,414~~	
	1,177,690			1,319,217		1,195,570			1,339,288	
b. Shooting Ranges										
	9,437	140,563		150,000						
8. Administration										
a. Operations										
	1,418,521	~~306,004~~		~~1,724,525~~		1,450,269	~~294,354~~		~~1,744,623~~	
		356,004		1,774,525			369,354		1,819,623	
b. Saline Seep										

	Fiscal 1990				Fiscal 1991			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
		150,000			150,000					
c. Legislative Contract Authority										
			90,000		90,000			90,000		90,000
d. Cherry Creek Dam										
		~~50,000~~	~~250,000~~		300,000					
		100,000	200,000							
Total										
		~~22,838,978~~	~~8,898,938~~	2,283,609	~~33,213,589~~		~~19,767,487~~	~~7,863,797~~	2,299,559	~~29,930,793~~
		~~22,867,258~~	8,962,916		~~33,313,783~~		~~19,754,995~~	8,006,595		~~38,861,149~~
		22,095,132			33,341,657		19,782,869			30,089,023

Items 3d, 5c, 68, 7b, 8b, and 8d are biennial appropriations.

Item 1d may not be expended unless the department purchases a replacement helicopter.

Item 2 contains $167,831 in fiscal 1990 and $167,951 in fiscal 1991 for expanding the block management program, $37,159 in fiscal 1990 and $37,194 in fiscal 1991 to expand the fishing and motorboat access program, and $23,676 in fiscal 1990 and $23,706 in fiscal 1991 for a microcomputer support position. In preparing the 1993 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include expenditures from the above items in the current level base.

Item 3b contains $73,500 in fiscal 1990 and $93,500 in fiscal 1991 to replace two hatchery trucks. In preparing the 1993 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from the above items in the current level base.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

Item 3a contains $41,000 per year for the department to employ consultants to represent the department in reviews of Natural Streambed and Land Preservation Act projects, irrigation diversions, and U.S. forest service projects. It is the intent of the legislature that the department coordinate the employment of consultants with the local conservation districts and other appropriate parties to the extent possible. In preparing the 1993 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

If the department receives additional federal funds for the costs of the fisheries division, it may increase its federal appropriation and decrease its state special appropriation by like amounts.

Item 3a contains $41,960 in fiscal 1990 and $52,010 in fiscal 1991 for a cooperative program with the U.S. forest service to collect fisheries data on national forest lands; $21,674 in fiscal 1990 and $21,694 in fiscal 1991 for experimental stocking of Kokanee on Flathead Lake; and $35,895 in fiscal 1990 and $35,965 in fiscal 1991 to expand the department's administration of fishing access sites. In preparing the 1993 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from the above items in the current level base. The department may only expend the state funds for the cooperative program with the U.S. forest service if the matching federal funds are available.

The department shall report to the 52nd legislature the results of the fish population evaluation and monitoring program expansion.

Item 3e is appropriated for fisheries research as specified by the department through a contracted agreement with the Yellow Bay experiment station.

Item 4a contains $50,373 per year for employee relocation costs, which is an increase of $27,000 per year over the amount expended in fiscal 1988. In preparing the 1993 biennial budget for legislative consideration, the maximum amount

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

of expenditures from the relocation expenditure code to be included by the office of budget and program planning and the legislative fiscal analyst's office in the current level bases is $23,373.

Item 4a contains $40,000 per year of increased travel funds that the department may use only if it is successful in negotiating a compensatory time proposal with the wardens' union. A compensatory time proposal would allow the department the flexibility of working wardens more than a 40-hour week and compensating the wardens with 1 1/2 hours compensatory time for every hour worked over 40 hours, rather than the current policy of having to pay time and a half for hours worked over 40 hours.

Item 5a contains $363,600 per year for rental of private aircraft, which is an increase of $90,600 per year over the amount expended in fiscal 1988. In preparing the 1993 biennial budget for legislative consideration, the maximum amount of expenditures from the private aircraft rental expenditure code to be included by the office of budget and program planning and the legislative fiscal analyst's office in the current level bases is $273,000.

Item 5a contains $16,391 in fiscal 1990 and $16,436 in fiscal 1991 for a habitat/timber sales planning program expansion and $28,090 in fiscal 1990 and $29,025 in fiscal 1991 for a nongame program expansion. In preparing the 1993 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from the above items in the current level base.

The department shall present to the 52nd legislature funding alternatives for the continuation of the nongame program that will replace the use of hunting and fishing license funds to support the program.

The department shall report to the 52nd legislature all projects and programs that terminated during the 1991 biennium.

Item 6A contains $225,881 in fiscal 1990 and $393,743 in fiscal 1991 for the Montana conservation corps. The expenditure of the appropriations for the corps is contingent upon the enactment of SB 388.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

CONTAINED IN ITEM 6A STATE SPECIAL REVENUE APPROPRIATIONS FOR BOTH FISCAL 1990 AND FISCAL 1991 IS A MINIMUM OF $275,500 FOR THE OPERATIONS AND MAINTENANCE OF THE CANYON FERRY RECREATION AREA. THE DEPARTMENT SHALL REPORT TO THE OFFICE OF BUDGET AND PROGRAM PLANNING AND THE LEGISLATIVE FINANCE COMMITTEE ON SEPTEMBER 1, 1990, THE INCOME EARNED IN FISCAL 1990 FROM THE CANYON FERRY RECREATION AREA AND THE FISCAL 1990 STATE AND FEDERAL EXPENDITURE MADE TO OPERATE AND MAINTAIN THE CANYON FERRY RECREATION AREA. THE DEPARTMENT SHALL ALSO MAKE A SIMILAR REPORT ON DECEMBER 1, 1990, FOR THE FIRST 5 MONTHS' INCOME AND EXPENDITURES OF FISCAL 1991 AT THE CANYON FERRY RECREATION AREA.

THE APPROPRIATION FOR ITEM 7B MAY ONLY BE EXPENDED TO ASSIST IN THE DEVELOPMENT OF SHOOTING RANGES.

Item 8a contains $30,000 per year for legal fees and court costs, which is an increase of $12,300 per year over the amount expended in fiscal 1988. In preparing the 1993 biennial budget for legislative consideration, the maximum amount of expenditures from the legal and court cost expenditure code to be included by the office of budget and program planning and the legislative fiscal analyst's office in the current level bases is $17,700.

Item 8a contains $110,000 per year for contracting with the department of livestock for predator control, which is an increase of $20,000 per year over the amount expended in fiscal 1988. In preparing the 1993 biennial budget for legislative consideration, the maximum amount of expenditures from the grant to the department of livestock expenditure code to be included by the office of budget and program planning and the legislative fiscal analyst's office in the current level bases is $90,000.

Item 8b contains a $150,000 biennial appropriation for a saline seep control program. In preparing the 1993 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from the program in the current level base.

Item 8b must be used by the department to contract with landowners in cooperation with the Montana salinity control association for salinity control programs that provide benefits to fish and wildlife habitats. Salinity control

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

projects that involve privately owned land must be financed on a cost-share basis under guidelines developed by the department. The guidelines must be consistent with the legislation establishing the funding source and complying with federal funding guidelines.

Item 8d contains $50,000 of hunting and fishing license funds and $50,000 of federal funds allocated to Montana for fisheries management. The $50,000 of hunting and fishing license income and the $50,000 of federal funds may only be expended if $50,000 of local/private funds and $150,000 from the federal bureau of land management are made available.

THE DEPARTMENT IS AUTHORIZED TO MAKE A PERMANENT LOAN FROM ITS STATE SPECIAL REVENUE FUND TO ITS FEDERAL SPECIAL REVENUE FUND TO PROVIDE ADEQUATE CASH FLOW FOR FEDERAL PROGRAMS THAT REIMBURSE THE DEPARTMENT AFTER EXPENDITURES ARE INCURRED AND PAID.

IF THE DEPARTMENT RECEIVES PRIVATE FUNDS FOR THE COSTS OF THE FISHERIES, WILDLIFE, PARKS, OR CONSERVATION EDUCATION DIVISIONS, IT MAY INCREASE ITS STATE SPECIAL REVENUE APPROPRIATION AND DECREASE ITS FEDERAL REVENUE APPROPRIATION BY LIKE AMOUNTS TO IMPLEMENT THE PROVISIONS OF SB 80.

The appropriation for the legislative contract authority in items 1c, 3c, 4b, 5b, and 8c is subject to the following provisions:

(1) Legislative contract authority applies only to federal and private funds.

(2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.

(3) A report must be submitted by the department to the legislative fiscal analyst following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures for each project.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
1. Centralized Services										
a. Operations										
	1,145,229	396,353	28,000		1,569,582	1,152,725	396,016	19,000		1,567,741
b. Audit										
	35,973				35,973					
2. Oil and Gas										
		1,099,376			1,099,376		1,093,070			1,093,070
3. Conservation Districts										
	62,893	~~526,937~~	42,703		~~632,533~~	70,660	~~547,489~~	42,703		~~630,852~~
		555,687			661,283		546,239			659,602
4. Reserved Water Rights Compact Commission										
	160,794	225,000			385,794	162,264	275,000			437,264
5. Water Resources										
a. Operations										
	2,275,752	2,533,986	50,000		4,859,738	2,295,146	2,529,039	50,000		4,874,185
b. State Water Projects										
		775,000			775,000					
c. Missouri River Reservation										
	81,428	340,000	42,000		463,428	82,134				82,134
6. Energy Division										
a. Operations										

	Fiscal 1990				Fiscal 1991			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	465,553	1,186,087	1,074,363		2,726,003	472,568	1,184,665	1,072,279		2,729,512
b. Lake Broadview Mitigation										
			~~40,000~~		40,000					
		40,000	0							
c. Rock Creek Mitigation										
			~~1,650,000~~		1,650,000					
		1,650,000	0							
Total										
	4,227,622	~~7,882,739~~	~~2,927,866~~		~~14,237,427~~	4,235,497	~~5,995,279~~	1,183,982		~~11,414,758~~
		8,801,489	1,237,066		14,266,177		6,024,029			11,443,508

Items 5b, 5c, 6b, and 6c are biennial appropriations.

The board of oil and gas conservation is appropriated $110,000 per year from federal special revenues contingent upon receiving federal funds from the environmental protection agency for the underground injection control program.

The department is authorized up to $700,000 from the account established in 76-14-112 for rangeland loans during the 1991 biennium.

All funds deposited into the state special revenue account established in 76-15-530 are appropriated to the department for distribution as grants to conservation districts.

Item 5a contains $5,100 per year to develop a video and to purchase television time on floodplains. The $5,100 per year may only be expended if the department receives a federal grant for developing the video and purchasing the television time.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

There is appropriated $4 million federal special revenue contingent upon the department receiving a grant or loan from the federal government for Middle Creek Dam.

There is appropriated $125,000 ~~federal~~ STATE special revenue contingent upon the department receiving a grant from the Montana power company for the purposes of conducting builder training and agricultural workshops.

There is appropriated $20,000 federal special revenue contingent upon the department receiving a grant from the western area power administration for the purposes of conducting builder training and agricultural workshops.

DEPARTMENT OF COMMERCE

1. Director's Office Management Services								
a. Operations								
~~94,181~~		~~748,859~~	~~834,248~~	~~93,241~~			~~725,226~~	~~818,467~~
~~99,181~~			~~839,248~~	~~98,241~~				~~821,467~~
100,004			846,863	98,797				822,823
		~~733,615~~	~~833,619~~				~~716,782~~	~~815,579~~
		720,248	820,252				703,155	801,952
b. Audit								
		66,412	66,412					
C. DIRECTOR'S TRAVEL								
		13,367	13,367				13,627	13,627
2. Business Licensing and Regulation - Director								
	~~91,839~~	~~62,142~~	~~153,181~~		~~91,879~~		~~62,884~~	~~153,883~~
	94,470	62,714	157,184		94,470		62,392	156,862

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
3. Building Codes										
	~~34,588~~	~~1,199,876~~			~~1,233,584~~	~~32,748~~	~~1,196,597~~			~~1,229,337~~
	34,874	1,206,764			1,241,638	33,016	1,201,438			1,234,454
4. Professional and Occupational Licensing										
		~~1,719,828~~		~~727,539~~	~~2,447,367~~		~~1,712,758~~		~~724,338~~	~~2,437,888~~
		1,839,641		763,484	2,603,125		1,813,145		780,137	2,593,282
5. Milk Control Bureau										
		~~275,976~~			~~275,976~~		~~275,142~~			~~275,142~~
		276,211			276,211		274,786			274,786
6. Weights and Measures Bureau										
	~~456,883~~				~~456,883~~	~~456,539~~				~~456,539~~
	458,319				458,319	457,716				457,716
7. Financial Division										
		~~784,315~~			~~784,315~~		~~781,874~~			~~781,874~~
		804,261			804,261		799,936			799,936
8. Aeronautics Division										
		639,101	75,000	51,327	765,428		612,214	75,000	51,381	738,595
9. Transportation Division										
a. Operations										
	~~433,594~~	71,250	~~899,975~~		~~1,404,819~~	~~416,343~~	71,250	~~899,975~~		~~1,387,568~~
	436,918		901,612		1,409,780	418,663		901,118		1,391,031

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
b. McCarty Farms										
	180,000				180,000					
c. Federal Rail Planning										
			500,000		500,000					
d. Rail Construction Loan Fund										
			~~1,054,879~~		1,054,879					
		1,054,879	0							
10. Business Assistance										
	~~713,188~~	~~294,816~~	~~335,258~~		~~1,342,454~~	~~704,343~~	~~294,816~~	~~338,256~~		~~1,328,689~~
	714,866	348,016	281,840		1,344,722	704,855	348,016	276,430		1,329,301
11. Montana Promotion										
		~~4,339,501~~	~~352,095~~		4,691,596		~~4,339,424~~	~~352,095~~		4,691,519
		4,691,596	0				4,691,519	0		
12. Board of Housing										
				~~2,228,348~~	~~2,228,348~~				~~2,127,485~~	~~2,127,485~~
				2,230,970	2,230,970				2,128,800	2,128,800
13. Local Government Administration										
				~~98,292~~	~~98,292~~				~~96,348~~	~~98,348~~
				99,229	99,229				98,970	98,970
14. Housing Assistance										
			12,689,153		12,689,153			12,687,065		12,687,065

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
15. Local Government Audit Service										
	~~45,824~~			~~1,814,382~~	~~1,859,326~~	~~45,289~~			~~1,815,388~~	~~1,860,597~~
	46,126			1,018,711	1,064,837	45,867			1,017,623	1,063,490
16. Local Government Systems										
a. Administration										
	86,209			149,628	235,837	86,209			139,523	225,732
b. District Court Reimbursement										
	2,600,000				2,600,000	2,826,000				2,826,000
c. County Planning										
		203,270			203,270		183,168			183,168
17. Community Development										
	~~287,848~~	~~3,593,859~~	~~5,090,428~~		~~8,890,535~~	~~212,262~~	~~3,049,426~~	~~5,085,548~~		~~8,347,236~~
	208,242	3,593,637	5,090,984		8,892,863	212,896	3,049,816	5,085,833		8,348,545
18. Board of Investments										
a. Operations										
				~~1,234,343~~	~~1,234,343~~				~~1,234,745~~	~~1,234,745~~
				1,240,799	1,240,799				1,238,086	1,238,086
b. Audit										
				48,162	48,162				42,891	42,891
C. CONSERVATION RESERVE ENHANCEMENT PROGRAM										
				250,000	250,000				250,000	250,000

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
19. Health Facility Authority										
a. Operations				~~132,963~~	~~132,963~~				~~133,338~~	~~133,338~~
				133,326	133,326				133,424	133,424
b. Audit				650	650				4,561	4,561
20. Montana Science and Technology Alliance										
	460,014				460,014	471,486				471,486
21. Lottery				~~3,000,000~~	~~3,000,000~~				~~3,000,000~~	~~3,000,000~~
				2,941,351	2,941,351				2,900,451	2,900,451
22. Board of Horseracing										
		~~249,738~~			~~249,738~~		~~249,649~~			~~249,649~~
		315,642			315,642		315,135			315,135
23. Video Gaming										
		818,818			818,818		796,335			796,335
24. Indian Affairs Coordinator										
	~~91,288~~				~~91,288~~	~~91,858~~				~~91,858~~
	92,069				92,069	91,613				91,613
25. Research and Information Services										
	241,921				241,921	286,929				286,929

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
Total	5,643,858	14,278,979	20,996,788	19,554,159	60,472,976	5,722,419	13,652,924	19,429,933	19,357,852	58,162,328
	5,648,858				60,477,976	5,727,419				58,167,328
	5,659,562	15,957,556	19,538,589	9,546,822	50,702,529	5,734,047	14,251,228	19,025,446	9,321,465	48,332,186
				9,548,378	50,696,085				9,315,821	48,325,742
				9,790,378	50,946,085				9,565,021	48,575,742

TRAVEL COSTS OF ALL STAFF MEMBERS IN THE DIRECTOR'S OFFICE MAY BE FUNDED ONLY FROM ITEM 1C.

There is appropriated to the hard-rock mining board up to $1,200,000 in each year of the biennium only for the purposes detailed in 90-6-304(1), 90-6-307, 90-6-311, and 90-6-321.

The hard-rock mining board shall report to the legislature any expenditures from the hard-rock mitigation and arbitration account.

If the board of milk control receives a petition to establish a state pooling arrangement as a method of paying producer prices, the department may request a budget amendment for additional operating costs for holding hearings and establishing the pool. Receipt of the petition is an emergency under 17-7-403.

The appropriation in item 9b is for litigation costs for the McCarty Farms case. The department shall seek to recover the general fund expenditures plus interest at a rate of 10% from any settlement in this case.

The board of horseracing may request a budget amendment for the cost of implementing harness racing in Montana. The request is an emergency under 17-7-403.

The board of horseracing may request a budget amendment to implement the mandated federal requirements of regulation on Indian reservations. The request meets the emergency provisions of 17-7-403.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

The board of investments may use designated commissions paid on the purchase and sale of securities for products and services customarily provided by brokers for such transactions according to applicable securities industries rules and regulations and Montana statutes. The board shall make a report to the 52nd legislature on the use of the designated commissions.

The video gaming control bureau may request a budget amendment to incur expenses pursuant to agreements with other states to provide gaming machine testing and training services should such requests materialize. The expenses constitute an emergency for budget amendment purposes under 17-7-403.

The video gaming control bureau may request a budget amendment to implement the mandated federal requirements or regulation on Indian reservations. The request meets the emergency provisions of 17-7-403.

If the revenues deposited to the general fund through implementation of 61-3-509 are less than the appropriation for district court reimbursement, the department shall reduce the reimbursement to equal the revenues generated.

~~There is appropriated to the department the~~ THE unexpended private funds of $16,589 for the supercollider effort ~~to be held in a special fund~~ ARE DEPOSITED TO THE GENERAL FUND, AND THERE IS A GENERAL FUND APPROPRIATION OF $16,589 TO THE DEPARTMENT for the Montana ambassadors program and TO BE used for projects that will promote new business or jobs. Any use of the funds will require a majority approval by the Montana ambassadors board of directors.

ALL INCOME DEPOSITED TO THE SCIENCE AND TECHNOLOGY DEVELOPMENT SPECIAL REVENUE ACCOUNT CREATED IN HB 683 IS APPROPRIATED TO THE MONTANA BOARD OF SCIENCE AND TECHNOLOGY DEVELOPMENT.

Item 12 includes $24,300 in each year in the proprietary fund that is contingent upon passage of SB 115.

THE FUNDING SOURCE FOR ITEM 18C IS BONDS PROCEEDS TO ADMINISTER THE CONSERVATION RESERVE ENHANCEMENT PROGRAM IN HB 717. NO FUND TRANSFERS MAY BE MADE INTO OR OUT OF THIS LINE ITEM.

Items 9b, 9c, 9d, and 18b are biennial appropriations.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
TOTAL SECTION C										
	22,834,821	52,324,648	45,613,893	22,344,492	142,317,854	21,696,993	48,198,833	41,128,587	22,164,884	133,179,537
	22,881,784				142,364,817	21,759,517				133,242,861
	22,871,382	59,254,544	39,825,285	12,337,155	133,488,366	21,787,856	52,318,491	38,158,168	12,128,417	124,384,124
	22,821,382	59,282,418		12,330,711	133,459,796		52,338,365		12,121,973	124,485,554
	22,104,145			12,559,515	133,771,363	21,819,835		38,158,161	12,351,129	124,667,490

D. DEPARTMENT OF INSTITUTIONS

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
CENTRAL OFFICE										
1. Director's Office										
	390,418				390,418	391,609				391,609
2. Management Services Division										
a. Management Services										
	831,751				831,751	831,985				831,985
b. Audit										
	~~148,972~~	~~4,455~~	7,637	6,047	159,111					
	141,131	4,296								
3. Alcohol and Drug Abuse Division										
	215,200	335,524	~~1,778,989~~		~~2,329,713~~	215,200	321,891	~~1,810,199~~		~~2,347,290~~
			1,848,757		2,399,481			1,879,967		2,417,058
4. Corrections Division										
a. Central Office										
	~~3,942,189~~	1,000	71,662		~~4,014,851~~	~~3,892,121~~	1,000			~~3,893,121~~
	~~4,165,928~~				~~4,238,582~~	~~4,090,801~~				~~4,091,801~~
	4,062,883				4,135,545	4,020,873				4,021,873
b. Women's Corrections										
	1,062,742				1,062,742	1,048,655				1,048,655
c. Corrections Medical										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	720,706				720,706	720,499				720,499
d. Montana State Prison										
i. Care and Custody -- Operations										
	13,160,642	52,008	100,722		13,313,372	13,320,011	51,994	100,777		13,472,782
ii. Ranch and Dairy Operations										
			1,260,550		1,260,550				1,267,519	1,267,519
iii. Ranch and Dairy Equipment										
			533,400		533,400					
iv. Ranch and Dairy Capital Projects										
			33,000		33,000					
v. License Plate Factory Operations										
		~~457,499~~			457,499		~~501,920~~			501,920
	457,499	0				501,920	0			
vi. License Plate Factory Contingency										
		~~20,018~~			20,018		~~30,018~~			30,018
	20,018	0				30,018	0			
vii. Industries Operations										
			979,149		979,149				1,112,217	1,112,217
viii. Canteen Operations										
		931,869			931,869		1,159,250			1,159,250
ix. Industries Training Operations										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	170,110		26,991	246,493	443,594	173,789		26,983	252,513	453,285
e. Swan River Forest Camp										
i. Operations										
	847,924	85,002	29,598		962,524	840,437	87,016	29,598		957,051
ii. Insurance										
	27,246				27,246	28,372				28,372
5. Mental Health Division										
a. Central Office										
~~i. Operations~~										
I. OPERATIONS										
~~4,842,659~~		1,760,758			~~5,603,417~~	~~4,843,395~~		1,690,714		~~5,734,109~~
~~4,144,989~~					~~5,985,667~~	~~4,249,948~~				~~5,940,654~~
4,042,659					5,803,417	4,043,395				5,734,109
~~ii. Community Mental Health Centers~~										
II. COMMUNITY MENTAL HEALTH CENTERS										
~~51,875~~					~~51,875~~	~~110,836~~				~~110,836~~
102,250					102,250	206,545				206,545
b. Montana Developmental Center										
12,490,419	49,000	23,336			12,562,755	12,556,576	49,000	22,385		12,627,961
c. Center for the Aged										
2,951,158	17,035				2,968,193	2,970,077	15,135			2,985,212

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
d. Eastmont										
	2,435,744	700			2,436,444	2,428,164	700			2,428,864
e. Veterans' Home										
i. General Operations										
	740,899	~~28,764~~	~~1,689,378~~		2,451,033	772,359	~~28,764~~	~~1,689,378~~		2,482,493
		976,364	733,770				976,364	733,770		
ii. Equipment										
	11,654				11,654					
f. Montana State Hospital										
	20,176,183	~~1,748,126~~	~~2,485~~		21,926,794	20,547,869	~~1,748,653~~	~~2,565~~		22,299,087
		1,748,437	2,174				1,748,964	2,254		
6. Board of Pardons										
a. Operations										
	~~165,885~~				~~165,885~~	~~159,830~~				~~159,830~~
	171,656				171,656	157,025				157,025
b. Out-of-State Travel										
	4,838				4,838	4,838				4,838
Total										
	~~64,588,414~~	~~3,723,888~~	~~5,491,548~~	3,058,639	~~76,853,681~~	~~65,855,822~~	~~3,987,341~~	~~5,372,591~~	2,632,249	~~77,847,283~~
	64,637,368				~~76,918,547~~	~~65,149,526~~				~~77,141,787~~

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	~~65,938,767~~	4,201,235	4,605,405		~~77,284,846~~	~~65,879,344~~	4,411,314	4,486,448		~~77,469,355~~
	65,235,730				77,101,009	65,810,216				77,340,227

Within item 4, transfers may be made between line items in excess of 5% of the total appropriation authority in each line item upon approval of the governor or his designated representative.

Within item 5, transfers may be made between line items in excess of 5% of the total appropriation authority in each line item upon approval of the governor or his designated representative.

Items 2b, 4diii, 4div, and 5eii are biennial appropriations.

The department is authorized to maintain a cash balance of not more than $16,000 at the end of each fiscal year in the prison industries training proprietary account. Any funds in excess of $16,000 in the proprietary account are subject to the provisions of section 3.

~~Item 5aii is contingent upon passage by the 1989 legislature of a general salary increase to all state employees.~~

Notwithstanding section 7, if the department OF INSTITUTIONS is unable to recruit and hire professional positions funded in the appropriation and required for patient treatment and/or certification, it may transfer up to 100% of the aggregate personal services cost of each class of vacant position or the cost of the required contract, whichever is the lesser, to operating expenses for the purpose of contracting for services that would have been provided if that position were filled.

The department shall certify to the governor or his designated representative that:

(1) the department is unable to fill the position(s); and

(2) the services that would be provided by that position if filled and by the proposed contract are necessary for either federal medicaid certification or the treatment requirements of its correctional institutions.

THE ADMINISTRATION SHALL NEGOTIATE WITH REGISTERED NURSES EMPLOYED AT STATE INSTITUTIONS CONCERNING CLASSIFICATION

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

AND PAY EXCEPTIONS FOR THE PURPOSE OF HALTING THE LOSS OF THESE SKILLED HEALTH CARE PROFESSIONALS TO THE PRIVATE SECTOR.

Within item 4dvii, the department may submit budget amendments to hire 1.0 FTE marketing representative, 2.0 FTE shop supervisors, and 1.0 FTE prison industries procurement coordinator, if funding is available.

Within item 4dix, the department may submit budget amendments to hire a 0.25 FTE horticulturalist and a 1.0 FTE vehicle maintenance shop supervisor, if funding is available.

The department shall report to the 1991 legislature on the status of the sex offender treatment program at Montana state prison. The report must include but not be limited to a comparison between the 1989 and 1991 bienniums of the following:

(1) the number of sex offenders participating in the program;

(2) the number completing each of the three phases of the program;

(3) the number paroled and the percent of the total sex offender population paroled; and

(4) the average length of stay in Montana state prison of the sex offender population.

MONTANA ARTS COUNCIL

1. Administration								
~~114,933~~	~~61,717~~	~~394,655~~	~~568,305~~	~~121,334~~	~~60,864~~	~~383,480~~	~~564,678~~
117,933	111,717	344,655	574,305	124,334	110,064	336,480	570,878
2. Audit								
13,836			13,836				
Total								
~~128,769~~	~~61,717~~	~~394,655~~	~~582,141~~	~~121,334~~	~~60,864~~	~~383,480~~	~~564,678~~

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	131,769	111,717	344,655		588,141	124,334	110,064	336,480		570,878
MONTANA STATE LIBRARY										
1. Reference and Information										
	585,993	~~199,000~~	~~1,013,114~~		1,798,107	584,274	~~168,000~~	~~1,016,822~~		1,769,096
		208,138	1,003,976				170,000	1,014,822		
2. Audit										
	15,219				15,219					
3. NATURAL HERITAGE PROGRAM										
		349,092	53,268		402,360		318,866	16,092		334,956
Total										
	601,212	~~199,000~~	~~1,013,114~~		~~1,813,326~~	584,274	~~168,000~~	~~1,016,822~~		~~1,769,096~~
		~~208,138~~	~~1,003,976~~				~~178,000~~	~~1,014,822~~		
		557,230	1,057,244		2,215,686		488,866	1,030,914		2,104,054

The amounts included in item 1 in the federal special revenue column represent Library Services and Construction Act funds that may be transferred between fiscal 1990 and 1991.

In item 1, the 199,000 and 168,000 figures are coal severance tax funds. In the event the coal severance tax revenues allocated to the state library under 15-35-108(3)(g) exceed the amounts appropriated to the state library for fiscal 1990 and 1991, the additional funds are appropriated TO THE MONTANA STATE LIBRARY FOR PASS THROUGH TO THE LIBRARY FEDERATIONS.

MONTANA HISTORICAL SOCIETY

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
1. Administration										
a. Operations										
	492,133	~~47,395~~	~~135,887~~		675,415	494,036	~~47,483~~	~~126,388~~		667,819
		151,589	31,693				142,072	31,711		
b. Audit										
	14,140				14,140					
2. Library Program										
	373,788		~~118,020~~		491,808	356,145		56,866		413,011
		118,020	0				56,866	0		
3. Museum Program										
	208,409		~~41,630~~		250,039	207,787		~~23,630~~		231,417
		41,630	0				23,630	0		
4. Publications Program										
a. Operations										
	~~55,081~~			~~428,850~~	483,931	~~55,123~~			~~427,984~~	483,027
	43,854			440,077		43,861			439,166	
b. Audit										
				1,161	1,161					
5. Historical Sites Preservation Program										
a. Operations										
	~~64,685~~		~~548,752~~		613,437	68,920		553,215		622,135

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	68,104		545,333							
	b. Audit									
	650		3,419		4,069					
	Total									
	1,288,886	47,395	847,788	438,811	2,534,000	1,182,811	47,463	760,891	427,984	2,417,409
	1,212,385	311,239	580,445				222,568	584,926		
	1,201,078			441,238		1,170,749			439,166	
	TOTAL SECTION D									
	66,519,281	4,831,112	7,744,825	5,488,650	81,783,868	66,942,641	4,262,868	7,532,984	5,868,153	81,798,586
	66,576,227				81,840,814	67,837,145				81,893,896
	67,284,853	4,832,329	6,534,481		82,139,513	67,769,963	4,913,946	6,422,676		82,160,738
	67,169,789	5,181,421	6,587,749	3,499,877	82,438,836	67,689,573	5,232,812	6,438,768	3,071,415	82,432,568

E. OTHER EDUCATION

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
BOARD OF PUBLIC EDUCATION										
1. Board Administration										
a. Operations										
~~114,689~~					~~114,689~~	~~189,884~~				~~189,884~~
116,683					116,683	111,004				111,004
b. Audit										
2,214					2,214					
Total										
~~116,897~~					~~116,897~~	~~189,884~~				~~189,884~~
118,897					118,897	111,004				111,004
2. ADVISORY COUNCIL										
67,650					67,650		67,650			67,650
~~2~~ 3. Montana School for the Deaf and Blind										
a. Administration										
~~196,439~~					~~196,439~~	~~191,637~~				~~191,637~~
191,143					191,143	186,341				186,341
b. General Services										
269,525					269,525	276,051				276,051
c. Student Services										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
~~711,326~~		38,000		~~749,326~~	~~714,196~~		38,000		~~752,196~~
~~730,289~~				~~768,289~~	~~733,628~~				~~771,628~~
711,326				749,326	714,196				752,196
D. STUDENT SERVICES - ANNUAL LEAVE AND HOLIDAY PAY										
18,883				18,883	19,432				19,432
d E. Education										
~~1,043,039~~			~~316,801~~	~~1,359,840~~	~~1,043,091~~			~~316,801~~	~~1,359,892~~
~~1,154,870~~	~~147,307~~		~~169,494~~	~~1,471,671~~	~~1,157,934~~	~~147,307~~		~~169,494~~	~~1,474,735~~
1,043,039				1,359,840	1,043,091				1,359,892
F. EDUCATION - ANNUAL LEAVE AND HOLIDAY PAY										
111,831				111,831	114,843				114,843
e G. Audit										
17,710				17,710					
---	---	---	---	---	---	---	---	---	---	---
Total										
~~2,238,039~~			~~354,801~~	~~2,592,840~~	~~2,224,975~~			~~354,801~~	~~2,579,776~~
~~2,368,753~~	~~147,307~~		~~207,494~~	~~2,723,554~~	~~2,359,258~~	~~147,307~~		~~207,494~~	~~2,714,651~~
2,363,457				2,718,258	2,353,954				2,708,755

THE APPROPRIATION IN ITEMS 3D AND 3F MAY ONLY BE USED TO PAY ANNUAL LEAVE AND HOLIDAY PAY FOR THE CONTRACT STAFF AT THE SCHOOL FOR THE DEAF AND BLIND.

OFFICE OF PUBLIC INSTRUCTION

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
1. State Superintendent's Office										
	404,769				404,769	401,920				401,920
2. Central Services										
a. Operations										
	~~1,232,178~~	5,000	27,784	~~389,144~~	~~1,654,098~~	~~1,278,887~~	5,000	27,784	~~385,681~~	~~1,688,392~~
				908,264	~~2,173,218~~				904,721	~~2,287,512~~
	1,295,090				2,236,138	1,356,087				2,293,592
b. Audit										
	45,324				45,324					
3. Educational Services										
	1,088,725	~~213,597~~	~~2,784,974~~		4,007,296	1,044,113	~~213,597~~	~~2,685,752~~		3,943,462
		271,260	2,647,311				277,053	2,622,296		
Total										
	~~2,778,988~~	~~218,597~~	~~2,732,758~~	~~389,144~~	~~6,111,487~~	~~2,716,848~~	~~218,597~~	~~2,713,536~~	~~385,681~~	~~6,033,774~~
		276,260	2,675,095	908,264	6,638,687		282,053	2,650,080	904,721	6,552,894
	2,833,908				6,693,527	2,802,120				6,638,974

FUNDING OF $62,920 IN FISCAL 1990 AND $86,080 IN FISCAL 1991 IN ITEM 2A IS CONTINGENT ON PASSAGE OF SB 203.

OFFICE OF PUBLIC INSTRUCTION -- DISTRIBUTION TO SCHOOLS

1. Special Education										
	33,361,646				33,361,646	33,361,646				33,361,646

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
2. Special Education Contingency										
	500,000				500,000	500,000				500,000
3. Transportation										
	6,252,894				6,252,894	6,252,894				6,252,894
4. School Foods										
	599,397				599,397	599,397				599,397
5. Secondary Vocational Education										
	900,000				900,000	900,000				900,000
6. Impact Aid										
	5,000				5,000	5,000				5,000
7. Gifted and Talented										
	100,000				100,000	100,000				100,000
8. Adult Basic Education										
	~~53,985~~	~~146,895~~			200,000	~~183,985~~	~~146,895~~			250,000
	200,000	0				250,000	0			
Total										
	~~41,772,842~~	~~146,895~~			41,918,937	~~41,822,842~~	~~146,895~~			41,968,937
	41,918,937	0				41,968,937	0			

Item 2, a biennial appropriation, is for emergencies that may arise in special education programs in local districts. A district board of trustees may apply for an allocation from these funds by presenting to the superintendent

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

of public instruction, for each child, a child-study team (CST) report and an individual education plan (IEP) relating to this unforeseen expense or, if the need for additional personnel is due to case load excess, a board of trustees verification of completed IEPs and CSTs. In addition, a current listing of program, case loads, and related costs must be submitted. Contingency funds may be awarded for positions that have gone unfilled for an entire school year and for which regular state special education funds were not awarded.

THERE IS APPROPRIATED IN ITEM 8 GENERAL FUND OF $146,095 IN FISCAL 1990 AND $146,095 IN FISCAL 1991 TO REPLACE EDUCATION TRUST FUND INTEREST EARNINGS. IF EDUCATION TRUST FUND INTEREST EARNINGS BECOME AVAILABLE DURING THE BIENNIUM, THEN ONE DOLLAR OF GENERAL FUND WILL REVERT FOR EACH DOLLAR OF EDUCATION TRUST INTEREST EARNINGS.

OFFICE OF PUBLIC INSTRUCTION -- DISCRETIONARY GRANTS

1.	Vocational Education	2,500,000		2,500,000		2,500,000		2,500,000		2,500,000
2.	Education of the Handicapped -- Part B	425,000		425,000		505,000		505,000		505,000
3.	Preschool Incentive Grants	50,000		50,000		50,000		50,000		50,000
4.	Job Training Partnership	508,602		508,602		508,602		508,602		508,602
5.	Adult Basic Education	475,208		475,208		498,968		498,968		498,968
6.	McKinney Homeless Act	140,414		140,414		70,212		70,212		70,212

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
7. Education of the Handicapped -- Architectural										
			32,000		32,000					
Total										
			4,131,224		4,131,224			4,132,782		4,132,782
STATE COUNCIL FOR VOCATIONAL EDUCATION										
1. Operations										
			133,823		133,823			134,182		134,182
2. Audit										
			3,736		3,736					
Total										
			137,559		137,559			134,182		134,182
TOTAL SECTION E										
~~46,898,766~~	~~364,692~~	~~7,356,342~~	~~389,144~~	~~55,008,944~~	~~46,872,861~~	~~364,692~~	~~7,335,381~~	~~385,681~~	~~54,958,455~~
~~47,829,488~~	~~569,662~~	7,151,372	908,264	~~55,658,778~~	~~47,887,136~~	~~575,455~~	7,124,538	904,721	~~55,641,850~~
~~47,831,488~~				~~55,660,778~~	~~47,889,136~~				~~55,643,850~~
47,235,199	491,217			55,786,052	47,236,015	497,010			55,762,284

F. HIGHER EDUCATION

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

All funds, other than plant funds and current unrestricted operating funds, may be spent and are appropriated contingent upon approval of the comprehensive program budget by the board of regents by July 1 of each year. The budget must contain detailed revenues and expenditures and anticipated fund balances of current funds, loan funds, and endowment funds. All movement of funds between the current unrestricted subfund and the designated subfund account entities must be clearly identified in the state budgeting and accounting system.

Programs for the university budgets include instruction, organized research, public service, academic support student services, institutional support, operation and maintenance of plant, and scholarships and fellowships.

The six university units shall account for expenditures consistently within programs and funds across all units and shall use the national center for higher education management systems program classification structure, along with the college and university business administration (CUBA) system, as a minimum standard for achieving consistency.

Each year of the biennium, the portion of indirect cost reimbursements that exceeds the amount set forth in the current unrestricted operating subfund appropriation for each unit is appropriated to the respective unit. All indirect cost reimbursement not expended in the current unrestricted operating subfund account must be clearly identified and separately accounted for during the 1991 biennium.

Included within current unrestricted funds to the six institutions is the sum of $12,050,000 in fiscal 1990 and $12,022,000 in fiscal 1991 from revenues generated under the provisions of 20-25-423. The department of revenue shall levy the full 6 mills as authorized in 20-25-423. Revenues received by the university system under the provisions of 20-25-423 that exceed $12,050,000 in fiscal 1990 and $12,022,000 in fiscal 1991 must cause a general fund reversion of a like amount each year.

RESEARCH GRANT INDIRECT COSTS RETAINED AT THE VARIOUS UNITS OF THE UNIVERSITY SYSTEM IN FUNDS OTHER THAN THE

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
CURRENT UNRESTRICTED SUBFUND MUST BE EXPENDED FOR THE ENHANCEMENT OF EXISTING RESEARCH PROGRAMS, ASSISTANCE TO AND ENCOURAGEMENT OF NEW RESEARCH PROGRAMS, AND THE GENERAL SUPPORT OF RESEARCH.										
THERE IS APPROPRIATED FOR HIGHER EDUCATION PROGRAMS GENERAL FUND OF $465,000 IN FISCAL 1990 AND $592,000 IN FISCAL 1991 TO REPLACE EDUCATION TRUST FUND INTEREST EARNINGS. IF EDUCATION TRUST FUND INTEREST EARNINGS BECOME AVAILABLE DURING THE BIENNIUM, THEN ONE DOLLAR OF GENERAL FUND APPROPRIATED FOR HIGHER EDUCATION PROGRAMS WILL REVERT FOR EACH DOLLAR OF EDUCATION TRUST INTEREST EARNINGS.										
COMMISSIONER OF HIGHER EDUCATION										
1. Office Administration										
a. Operations										
~~884,684~~				~~884,684~~		~~884,403~~				~~884,403~~
~~844,884~~				~~844,884~~		~~889,489~~				~~889,403~~
804,601				804,601		801,403				801,403
b. Audit										
16,487				16,487						
2. WICHE Dues										
	~~65,488~~			65,100			~~68,488~~			68,400
65,100	0				68,400	0				
3. WICHE - Student Assistance										
~~1,485,588~~	~~258,986~~			1,664,400	~~1,316,867~~	~~344,688~~				1,657,667
1,664,400	0				1,657,667	0				
4. WAMI										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	2,057,872				2,057,872	2,152,280				2,152,280
5. Minnesota Rural Dentistry	93,600				93,600	95,200				95,200
6. State Student Incentive Grants	220,000		220,000		440,000	220,000		220,000		440,000
7. Carl Perkins Loan	55,000				55,000	55,000				55,000
8. State College Work Study	391,586				391,586	391,587				391,587
9. Supplemental Educational Opportunity Grant	46,921				46,921	99,056				99,056
10. Paul Douglas Teacher Grants			82,728		82,728			82,728		82,728
11. Education for Economic Security			161,561		161,561			161,561		161,561
12. Talent Search										
a. Operations			213,639		213,639			184,409		184,409
b. Audit			1,500		1,500					
13. Guaranteed Student Loan										

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
a. Operations										
			1,567,791		1,567,791			1,375,166		1,375,166
b. Audit										
			6,088		6,088					
14. University System Group Insurance										
				10,295,000	10,295,000				11,750,000	11,750,000
15. Vocational-Technical Administration										
	83,689		143,690		227,379	80,637		140,637		221,274
16. Vocational Education Grants										
			4,584,497		4,584,497			4,587,550		4,587,550
17. Board of Regents										
	~~32,817~~				~~32,817~~	~~32,868~~				~~32,868~~
	~~26,117~~				~~26,117~~	~~26,168~~				~~26,168~~
	32,817				32,817	32,868				32,868
18. Vocational-Technical Bond Payments										
	730,905				730,905	717,068				717,068
Total										
	~~5,938,978~~	~~324,888~~	6,981,494	10,295,000	~~23,539,472~~	~~5,961,166~~	~~418,888~~	6,752,051	11,750,000	~~24,873,217~~
	~~5,932,278~~				~~23,532,772~~	~~5,954,466~~				~~24,866,517~~
	~~5,946,178~~				~~23,546,672~~	~~5,969,166~~				~~24,881,217~~

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	~~5,938,978~~				23,539,472	~~5,961,166~~				24,873,217
	6,262,978	0				6,371,166	0			

In each fiscal year, the commissioner of higher education is allowed to transfer appropriation authority between the amounts included in the WICHE appropriation for dentistry, which is $144,300 in fiscal 1990 and $134,867 in fiscal 1991, and the Minnesota rural dentistry appropriation.

Item 18 may not be expended unless the board of regents obtains a contract from the school district that ensures that the state of Montana shall receive deed to the vocational-technical center facility for the cost of retiring the outstanding bond.

~~THE COMMISSIONER OF HIGHER EDUCATION SHALL TRANSFER FROM THE GENERAL FUND APPROPRIATION $7,288 IN FISCAL 1990 AND $8,888 IN FISCAL 1991 TO THE OFFICE OF THE LEGISLATIVE AUDITOR TO PAY FOR AUDITS OF EDP PROGRAMS. THE COMMISSIONER OF HIGHER EDUCATION SHALL CHARGE THE RESPECTIVE UNITS AN AMOUNT SUFFICIENT TO COLLECT THE AMOUNT OF MONEY TO BE TRANSFERRED.~~

FIRE SERVICES TRAINING SCHOOL

1. Operations									
	~~212,958~~		~~35,972~~	248,930	~~202,822~~			~~33,133~~	235,955
	217,158		31,772		207,022			28,933	
2. Audit									
	2,214			2,214					
3. Training Delivery									
			20,000	20,000					

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
Total	~~215,172~~ 219,372			~~55,972~~ 51,772	271,144	~~282,822~~ 207,022			~~93,133~~ 28,933	235,955

The fire services training school must be provided office, classroom, and storage space in the Great Falls vocational-technical center at no charge.

Item 3 is a biennial appropriation.

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
COMMUNITY COLLEGES						
1. Dawson Community College						
a. Operations	714,317		714,317	714,317		714,317
b. Audit	8,460		8,460			
2. Flathead Valley Community College						
a. Operations	1,709,586		1,709,586	1,709,586		1,709,586
b. Audit	8,460		8,460			
3. Miles Community College						

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
a. Operations						
	758,388		758,388	758,388		758,388
b. Audit						
	8,460		8,460			
Total						
	3,207,671		3,207,671	3,182,291		3,182,291

The above appropriation provides 47% of the total unrestricted budgets for the community colleges, which budgets must be approved by the board of regents.

The general fund appropriation for each community college includes 47% of the total audit cost. The remaining 53% of these costs are to be paid from funds other than those appropriated in items 1 through 3. Audit costs may not exceed $18,000 for each unit for the biennium.

Dawson, Flathead Valley, and Miles community colleges are prohibited from including in student enrollment, used in calculating the unrestricted budget referred to in 20-15-310, student FTE from out-of-district centers not approved under board of regents Policy 220.1.

BILLINGS VOCATIONAL-TECHNICAL CENTER

1. Instruction						
	~~832,901~~	~~191,898~~	1,024,799	~~850,637~~	~~174,162~~	1,024,799
	857,314	167,485		882,097	142,702	
2. Plant Operation and Maintenance						
	131,071	146,328	277,399	121,917	155,482	277,399
3. Support						

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
a. Operations						
		514,989	514,989		514,989	514,989
b. Audit						
	22,414		22,414			
Total						
	~~986,386~~	~~853,215~~	1,839,601	~~972,554~~	~~844,633~~	1,817,187
	1,010,799	828,802		1,004,014	813,173	

Total audit costs are estimated to be $24,904 for the biennium. Ten percent of these costs are to be paid from funds other than those appropriated in items 1 through 3.

BUTTE VOCATIONAL-TECHNICAL CENTER

1. Instruction						
	925,747		925,747	925,747		925,747
2. Plant Operation and Maintenance						
	~~185,288~~	~~24,482~~	209,682	~~179,451~~	~~30,231~~	209,682
	207,451	2,231		208,091	1,591	
3. Support						
a. Operations						
		519,912	519,912		519,912	519,912
b. Audit						
	22,414		22,414			

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
Total						
	~~1,133,361~~	~~544,394~~	1,677,755	~~1,105,198~~	~~550,143~~	1,655,341
	1,155,612	522,143		1,133,838	521,503	

Total audit costs are estimated to be $24,904 for the biennium. Ten percent of these costs are to be paid from funds other than those appropriated in items 1 through 3.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER

1. Instruction						
	~~1,148,954~~	~~75,189~~	1,216,143	~~1,127,751~~	~~88,392~~	1,216,143
	1,167,372	48,771		1,161,826	54,317	
2. Plant Operation and Maintenance						
	128,261	143,192	271,453	119,304	152,149	271,453
3. Support						
a. Operations						
		465,854	465,854		465,854	465,854
b. Audit						
	22,414		22,414			
	---	---	---	---	---	---
Total						
	~~1,299,629~~	~~684,235~~	1,975,864	~~1,247,055~~	~~706,395~~	1,953,450
	1,318,047	657,817		1,281,130	672,320	

Total audit costs are estimated to be $24,904 for the biennium. Ten percent of these costs are to be paid from funds other than those appropriated in items 1 through 3.

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
HELENA VOCATIONAL-TECHNICAL CENTER						
1. Instruction						
	1,440,026		1,440,026	1,440,026		1,440,026
2. Plant Operation and Maintenance						
	~~194,985~~	~~213,537~~	404,922	~~198,835~~	~~206,887~~	404,922
	224,252	180,670		240,523	164,399	
3. Support						
a. Operations						
		616,112	616,112		616,112	616,112
b. Audit						
	22,414		22,414			
Total						
	~~1,653,825~~	829,649	2,483,474	~~1,698,861~~	822,999	2,461,060
	1,686,692	796,782		1,680,549	780,511	

Total audit costs are estimated to be $24,904 for the biennium. Ten percent of these costs are to be paid from funds other than those appropriated in items 1 through 3.

MISSOULA VOCATIONAL-TECHNICAL CENTER						
1. Instruction						
	1,514,445		1,514,445	1,514,445		1,514,445
2. Plant Operation and Maintenance						
	347,897	5,581	353,478	310,574	42,904	353,478

		Fiscal 1990			Fiscal 1991	
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
3. Support						
a. Operations						
		~~756,478~~	756,470		~~756,478~~	756,470
	35,051	721,419		45,337	711,133	
b. Audit						
	22,414		22,414			
Total						
	~~1,884,756~~	~~762,851~~	2,646,807	~~1,825,819~~	~~799,374~~	2,624,393
	1,919,807	727,000		1,870,356	754,037	

Total audit costs are estimated to be $24,904 for the biennium. Ten percent of these costs are to be paid from funds other than those appropriated in items 1 through 3.

EMPLOYEE CLASSIFICATION CONVERSION

1. Personal Services						
	36,762		36,762	36,762		36,762

The amounts in item 1 are for anticipated employee classification costs when the vocational-technical center employees become part of the state pay and classification system beginning July 1, 1989. The amounts in item 1 may be expended in either year of the biennium upon review and approval by the commissioner of higher education.

The commissioner of higher education may transfer county millage collections among centers. Millage received by the centers from the 1.5-mill levy that in the aggregate exceeds $787,000 in fiscal 1990 and $796,000 in fiscal 1991 must cause a general fund reversion of a like amount each year. Any voted millage funds available for the vocational-technical centers are appropriated.

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
BUREAU OF MINES						
1. Research						
	1,254,014	53,000	1,307,014	1,275,109	53,000	1,328,109
2. POPLAR RIVER MONITORING						
	18,000		18,000			
TOTAL						
	1,272,014	53,000	1,325,014	1,275,109	53,000	1,328,109
ITEM 2 IS A BIENNIAL APPROPRIATION.						
AGRICULTURAL EXPERIMENT STATION						
1. Agricultural Experiment Station						
	6,509,679	2,031,135	8,540,814	6,727,832	2,031,135	8,758,967
2. Spring Wheat Breeding						
	170,000		170,000			
3. U.S. Range Laboratory						
		~~375,844~~	~~375,844~~		~~374,364~~	~~374,364~~
		390,104	390,104		389,395	389,395
Total						
	6,679,679	~~2,406,179~~	~~9,085,858~~	6,727,832	~~2,405,499~~	~~9,133,331~~
		2,421,239	9,100,918		2,420,530	9,148,362
Item 2 is a biennial appropriation.						

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
COOPERATIVE EXTENSION SERVICE						
1. Public Service						
	~~2,161,868~~	~~2,053,352~~	4,215,220	~~2,319,378~~	~~2,079,575~~	4,398,953
	2,268,712	1,946,508		2,452,445	1,946,508	
2. GROUND WATER PROTECTION WORKSHOPS						
	14,967	8,000	22,967	14,967	15,000	29,967
Total						
	~~2,161,868~~	~~2,053,352~~	~~4,215,220~~	~~2,319,378~~	~~2,079,575~~	~~4,398,953~~
	~~2,268,712~~	~~1,946,508~~		~~2,452,445~~	~~1,946,508~~	
	2,283,679	1,954,508	4,238,187	2,467,412	1,961,508	4,428,920

THE COOPERATIVE EXTENSION SERVICE SHALL REVERT $1 OF GENERAL FUND FOR EACH $1 THAT FEDERAL SMITH-LEVER FUNDS IN ITEM 1 EXCEEDS $1,946,508 IN FISCAL 1990 AND $1,946,508 IN FISCAL 1991.

FOREST AND CONSERVATION EXPERIMENT STATION						
1. Research						
	654,455		654,455	667,253		667,253
MONTANA STATE UNIVERSITY						
1. Instruction						
A. OPERATIONS						
	24,735,156	944,535	25,679,691	26,829,594	661,124	27,490,718
B. ARCHITECTURE/INTERIOR DESIGN						
	~~96,158~~		96,150	~~96,158~~		96,150

		Fiscal 1990			Fiscal 1991		
		General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
		0	96,150		0	96,150	
2.	Research						
			597,759	597,759		597,963	597,963
3.	Public Service						
			10,749	10,749		10,752	10,752
4.	Academic Support, Student Services, and Institutional Support						
			13,171,640	13,171,640		13,342,208	~~13,342,208~~
					265,328		13,607,536
5.	Audit						
		47,042		47,042			
6.	Operation and Maintenance of Physical Plant						
		4,159,454	1,563,345	5,722,799	5,149,756	801,955	5,951,711
7.	New Space						
		50,000		50,000			
8.	Scholarships and Fellowships						
			1,188,665	1,188,665		1,188,665	1,188,665
		---	---	---	---	---	---
	Total						
		~~28,991,652~~	~~17,476,698~~	~~46,468,345~~	~~31,979,358~~	~~16,602,067~~	~~48,582,017~~
					32,244,678		48,847,345
		29,887,802		46,564,495	32,340,828		48,943,495
		28,991,652	17,572,843		32,244,678	16,698,817	

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
Total audit costs are estimated to be $94,083 for the biennium. Fifty percent of these costs are to be paid from funds other than those appropriated in items 1 through 8.						
Item 7 is a biennial appropriation.						
UNIVERSITY OF MONTANA						
1. Instruction						
A. OPERATIONS						
	~~18,555,351~~	949,162	~~19,504,513~~	19,902,854	1,232,201	21,135,055
	~~18,755,351~~		19,704,513			
	18,555,351	1,149,162				
B. LAW/PHARMACY/PHYSICAL THERAPY						
	~~398,788~~		398,700	~~398,788~~		398,700
	0	398,700		0	398,700	
2. MBA Program						
	260,000		260,000			
3. PHARMACY ACCREDITATION						
	25,000		25,000	25,000		25,000
~~3~~ 4. Research						
		536,137	536,137		536,582	536,582
~~4~~ 5. Public Service						
		183,132	183,132		183,288	183,288
~~5~~ 6. Academic Support, Student Services, and Institutional Support						
		10,684,143	10,684,143		10,831,563	~~18,831,563~~

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
				217,252		11,048,815
6 7. Audit						
	47,042		47,042			
7 8. Operation and Maintenance of Physical Plant						
	3,796,207	1,479,255	5,275,462	4,728,409	758,072	5,486,481
8 9. New Space						
	225,000		225,000			
9 10. Scholarships and Fellowships						
		1,077,497	1,077,497		1,077,497	1,077,497
Total						
	~~22,883,600~~	~~14,989,326~~	~~37,792,926~~	~~24,631,263~~	~~14,619,283~~	~~39,250,466~~
	22,908,600		37,817,926	24,873,515		39,492,718
	~~23,587,388~~		38,416,626	~~25,272,215~~		39,891,418
	22,908,600	15,508,026		24,873,515	15,017,903	

Total audit costs are estimated to be $94,083 for the biennium. Fifty percent of these costs are to be paid from funds other than those appropriated in items 1 through 9 10.

Items 2 and 8 9 are biennial appropriations.

UP TO $25,000 PER YEAR OF CURRENT RESTRICTED PRIVATE DONATIONS FOR THE PHARMACY PROGRAM ACCREDITATION ARE APPROPRIATED.

EASTERN MONTANA COLLEGE

1. Instruction

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
	6,889,638		6,889,638	7,311,399		7,311,399
2. Public Service		246,653	246,653		249,869	249,869
3. Academic Support, Student Services, and Institutional Support	493,756	4,348,068	4,841,824	~~266,958~~ 299,910	4,597,948	~~4,864,898~~ 4,897,858
4. Audit	45,658		45,658			
5. Operation and Maintenance of Physical Plant	1,516,250	591,328	2,107,578	1,896,360	295,521	2,191,881
6. New Space	20,000		20,000			
7. Scholarships and Fellowships		358,606	358,606		358,606	358,606
Total	8,965,302	5,544,655	14,509,957	~~9,474,789~~ 9,507,669	5,501,944	~~14,976,653~~ 15,009,613

Total audit costs are estimated to be $60,877 for the biennium. Twenty-five percent of these costs are to be paid from funds other than those appropriated in items 1 through 7.

Item 6 is a biennial appropriation.

NORTHERN MONTANA COLLEGE

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
1. Instruction						
	~~3,989,888~~		~~3,989,888~~	4,216,100		4,216,100
	~~4,189,888~~		4,189,888			
	3,989,888	200,000				
2. Transition Funding						
	300,000		300,000			
3. Public Service						
		8,891	8,891		8,891	8,891
4. Academic Support, Student Services, and Institutional Support						
	426,375	1,963,040	2,389,415	~~276,583~~	2,117,724	~~2,394,307~~
				284,738		2,402,462
5. Audit						
	38,394		38,394			
6. Operation and Maintenance of Physical Plant						
	802,812	316,609	1,119,421	1,008,311	155,886	1,164,197
7. Scholarships and Fellowships						
		314,000	314,000		314,000	314,000
Total						
	~~5,557,469~~	~~2,602,540~~	~~8,160,009~~	~~5,500,994~~	2,596,501	~~8,097,495~~
				5,509,149		8,105,650
	5,757,469		8,360,009			

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
	5,557,469	2,802,540				

Total audit costs are estimated to be $51,192 for the biennium. Twenty-five percent of these costs are to be paid from funds other than those appropriated in items 1 through 7.

Item 2 is a biennial appropriation.

WESTERN MONTANA COLLEGE

1. Instruction						
	~~2,162,893~~		~~2,162,893~~	2,298,465		2,298,465
	~~2,237,893~~		2,237,893			
	2,187,559	50,334				
2. Transition Funding						
	125,000		125,000			
3. Academic Support, Student Services, and Institutional Support						
	261,228	1,112,154	1,373,382	~~164,133~~	1,221,525	~~1,385,658~~
				183,427		1,404,952
4. Audit						
	38,394		38,394			
5. Operation and Maintenance of Physical Plant						
	542,176	219,425	761,601	685,853	106,212	792,065
6. Scholarships and Fellowships						
		107,889	107,889		107,889	107,889
Total						

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
	~~3,129,691~~	~~1,439,468~~	~~4,569,159~~	~~3,148,451~~	1,435,626	~~4,584,077~~
				3,167,745		4,603,371
	~~3,284,691~~		4,644,159			
	3,154,357	1,489,802				

Total audit costs are estimated to be $51,192 for the biennium. Twenty-five percent of these costs are to be paid from funds other than those appropriated in items 1 through 6.

Item 2 is a biennial appropriation.

MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY

1. Instruction						
	4,447,218		4,447,218	4,879,550		4,879,550
2. Research						
		50,262	50,262		50,351	50,351
3. Academic Support, Student Services, and Institutional Support						
	599,838	2,119,056	2,718,894	~~468,628~~	2,291,294	~~2,759,922~~
				530,170		2,821,464
4. Audit						
	45,658		45,658			
5. Operation and Maintenance of Physical Plant						
	1,062,941	416,830	1,479,771	1,332,895	206,067	1,538,962
6. Scholarships and Fellowships						
		285,255	285,255		285,255	285,255

	Fiscal 1990			Fiscal 1991		
	General Fund	Current Unrestricted	Total	General Fund	Current Unrestricted	Total
Total	6,155,655	2,871,403	9,027,058	6,681,873	2,832,967	9,514,840
				6,742,615		9,575,582

Total audit costs are estimated to be $60,877 for the biennium. Twenty-five percent of these costs are to be paid from funds other than those appropriated in items 1 through 6.

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
TOTAL SECTION F										
	102,781,925	53,354,160	6,981,494	10,350,972	173,468,551	108,576,348	52,260,526	6,752,051	11,783,133	179,372,058
	102,800,225	53,369,220			173,581,911	109,199,171	52,275,557			180,889,912
	103,913,819	53,262,376		10,346,772	174,583,661	109,845,988	52,142,490		11,778,933	180,549,462
	103,920,786	53,270,376			174,519,428	109,852,955	52,157,490			180,541,429
	103,440,602	53,750,560				109,950,105	52,060,340			

NOTE: The total of state special revenues for section F includes the following amounts of current unrestricted funds:

Fiscal 1990 ------ $53,030,160 $53,045,220 $52,930,376 $52,946,376 $53,750,560

Fiscal 1991 ------ $51,850,526 $51,865,557 $51,732,490 $51,747,490 $52,060,340

TOTAL STATE FUNDING

383,434,874	319,389,795	473,021,611	89,777,783	1,265,617,263	395,830,455	383,027,939	466,649,878	91,219,938	1,256,728,282
383,836,558	319,269,845			1,265,984,997	396,489,402	383,159,394	466,533,454		1,257,482,180

	Fiscal 1990					Fiscal 1991				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	392,194,662	328,292,796	461,664,686	82,829,971	1,264,981,435	484,879,931	308,884,976	458,469,668	83,676,241	1,255,110,888
	392,824,665	328,442,241	459,977,597	82,889,986	1,269,223,809	484,123,696	309,089,828		83,654,767	1,255,257,937
	391,731,577	329,137,257	461,721,406	83,049,337	1,265,639,577	404,604,959	309,127,264	460,102,353	83,895,185	1,257,729,761

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